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Cuba

PRENSA LATINA Previews Talks With U.S.

PA1801153695 Havana PRENSA LATINA in Spanish 0716 GMT 18 Jan 95

[FBIS Translated Text] United Nations, 18 Jan (PL)—The headquarters of the U.S. Mission to the United Nations today will be the site of the opening round of renewed migration talks between the United States and Cuba.

The current meeting between the two delegations is the second session dedicated to reviewing compliance with the bilateral agreements of 9 September 1994, and it follows a week in which both sides, in absolute secrecy, exchanged opinions on the course of the negotiations.

The Cuban delegation headed by Ricardo Alarcon arrived in New York on Monday to continue the negotiations process. Alarcon is president of the National Assembly of the People's Government and also the individual who signed the September 1994 agreement and supervised the October meeting's work to review compliance.

The Cuban delegation comprises Jose Arbezu, Olga Miranda, Carlos Fernandez de Cossio, and Walkiria Fernandez, all of whom are officials linked to Cuba's foreign policy.

As a result of the agreement, the United States is to grant, as of September of this year, no less than 20,000 visas to Cuban citizens interested in traveling to the United States for family visits, as well as an additional number of visas to meet the demands of the so-called waiting list.

This list contains the names of people who have fulfilled all of the legal requirements to make the trip but, for various reasons, have not received U.S. authorization.

The visa situation should be one of the issues studied at the current round of talks.

Another issue is related to the Cubans who participated in last year's illegal exodus, which reached its peak in August.

This prompted the U.S. Administration to modify the Cuban Adjustment Act—a law that called for granting immediate political asylum to immigrants arriving in Florida from the Caribbean island, even if they arrived in stolen boats or hijacked planes and at the cost of human lives.

This matter has not yet been resolved, however. Although several hundred Cubans housed at the naval base the United States maintains at Guantanamo against the will of the Cuban people have voluntarily returned to Cuba, some Cubans have died of diseases, others have committed suicide, and still others at the camps in Panama have died as a result of rebellions.

The Cubans at the Panama camps must return to Guantanamo in March before the Panamanian Government's deadline expires, but many of them refuse to return and new confrontations are expected.

The case of a man who seized a boat and forced it to Miami after shooting and killing a Cuban officer could also be discussed.

A Florida court claims it cannot convict the man because of a lack of evidence. Meanwhile, the Cuban Government has provided information and has stated its willingness to contribute to clarifying the events.

In the September agreement, the United States and Cuba committed themselves to opposing and preventing violence by people trying to reach U.S. territory from Cuba by hijacking airplanes or ships, and although the boat seizure in question took place before the accord was signed, it is logical that this case should be reviewed.

Comments of U.S. Official Reported

PA1801143295 Havana Radio Havana Cuba in Spanish 1300 GMT 18 Jan 95

[From the "Morning Information Review" newscast]

[FBIS Translated Text] Wayne Smith, former head of the U.S. Interests Section in Cuba, has said that despite bilateral talks on migration, bilateral relations are worse than ever as a result of the U.S. determination to maintain the blockade against Cuba. In a statement to the Italian news agency ANSA, Smith explained that by upholding its anti-Cuban policy, the United States completely isolates itself from the international community. The vote in the UN General Assembly on the U.S. blockade against Cuba was an example of this. Smith emphasized that some 90 U.S. firms are interested in doing business with Cuba in different areas, but this is all contingent on lifting the blockade.

New Round of Talks With U.S. Gets Under Way

PA1801180595 Havana PRENSA LATINA in Spanish 1543 GMT 18 Jan 95

[FBIS Translated Text] United Nations, 18 Jan (PL)—The Cuban and U.S. delegations today resumed their negotiations on migration issues, which began in New York on 1 September.

Ricardo Alarcon, president of the National Assembly of the People's Government, and Dennis Hays, the State Department's coordinator for Cuban affairs, met at 0900 at the U.S. Mission to the United Nations.

The purpose of these meetings, which will last two days, is to review technical aspects of compliance with the agreements the two countries reached on 9 September 1994 and which were signed by Alarcon and Michael Skol, deputy assistant secretary of state for inter-American affairs.

[Havana PRENSA LATINA in Spanish at 1550 GMT on 18 January transmits a 310-word "corrected retransmission" of this report which changes the previous sentence to read as follows: "The purpose of these meetings, which will last two days, is to review technical aspects of compliance with the agreements reached by the two countries on 9 September 1994, according to sources from both delegations."]

Under the terms of the agreement, the United States vowed to grant at least 20,000 visas per year to Cuban citizens interested in traveling to the United States and to offer an additional number of special visas within a year of signing the agreement to resolve pending requests.

The United States also vowed to oppose, by every available means, the arrival of illegal refugees from Cuba to the United States.

On 13 January, Cuban Foreign Ministry spokesman Miguel Alfonso told reporters that approximately 800 people had returned to Cuba from Guantanamo Naval Base.

Alfonso noted that in the round of negotiations that began today in New York, the two countries must analyze all matters related to migration issues, including the situation of Cubans housed on that base and at U.S. installations in Panama. [The two previous sentences were deleted in the PRENSA LATINA retransmission and the following sentence was added their place: "Cuba made the commitment to prevent, through persuasive methods, the illegal exodus of people to the U.S. coasts."]

U.S. Efforts To Speed Up Processing Noted

FL1801205495 Havana Radio Rebelde Network in Spanish 1800 GMT 18 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] Cuban and U.S. delegations today resumed the talks on migratory issues that were begun on 1 September in New York. Ricardo Alarcon, president of the National Assembly of the People's Government of Cuba, and Dennis Hays, U.S. State Department coordinator for Cuban Affairs, met at 1400 GMT today at the U.S. permanent mission to the United Nations.

The purpose of this meeting is to review the technical aspects of fulfilling the agreements signed by Alarcon and by Michael Skol, deputy assistant secretary of state for Inter-American Affairs, on 9 September 1994. Under this accord, the United States promised to grant no fewer than 20,000 visas per year to Cuban citizens interested in traveling to the United States, and to offer an additional excepted quantity to help resolve the backlog of visa applications. The United States also agreed to deter the arrival of illegal Cubans through the use of all possible means, while Cuba's responsibility is to prevent, through persuasion, the exodus of people to the Florida coast. According to the agreement, those who left Cuba in this way after 19 August can voluntarily return to Cuba, file the proper paperwork to apply for U.S. visas from here, and travel legally. Both parties met for the first time in Havana last October to review compliance with the agreements. Since then, the United States increased their number of employees at the U.S. Interests Section in Cuba to speed up the processing of paperwork.

Further on Meeting

PA1901012195 Havana Radio Havana Cuba in Spanish 0000 GMT 19 Jan 95

[From the "Evening Information Review" newscast]

[FBIS Translated Text] Cuba and the United States began holding a two-day meeting in New York City on 18 January to analyze the compliance with the migration agreements signed by the two nations in September 1994.

(Lee McClean), a U.S. State Department spokesman, explained to the media the two delegations will mainly discuss administrative issues. As was the case in previous meetings, parliament President Ricardo Alarcon heads the Cuban delegation, while Dennis Hays, U.S. State Department coordinator for Cuban affairs, heads the U.S. delegation.

Cuba and the United States met for the first time in October 1994 in Havana following the signing of the migration agreements.

Delegation Member on Topics at Meeting

FL1901024295 Havana Radio Rebelde Network in Spanish 0000 GMT 19 Jan 95

[Telephone interview with Carlos Fernandez de Cossio in New York, by correspondent Zenida Costales, in Havana; from the "Exclusive" program—live]

[FBIS Translated Text] [Costales] We have Carlos Fernandez de Cossio, head of the Cuban Foreign Ministry's North America Department and member of the Cuban delegation participating in the migration talks between Cuba and the United States, on the telephone. Greetings to you, Cossio. I would like you to recount the first day of these talks for us.

[Cossio] Greetings to everyone. Basically what we have done is to go over each point of the accord that we signed on 9 September. We have gone over how each side has complied with the accord, thus ensuring the accord's objective, which is to establish the framework by which to normalize migratory relations between Cuba and the United States.

[Costales] Can you refer to any of the issues that were addressed today? Specifically, I am interested in whether or not anything was discussed with regard to the Guantanamo Naval Base. Was this issue discussed?

[Cossio] Yes, several aspects of this issue that could be of interest to us were discussed. One of these issues refers to those children who were taken to the Guantanamo Naval Base without the consent of one of their parents. There are some cases in which these children were taken without the consent of either parent; I mean they were taken by a relative. These parents are in Cuba and are demanding the return of the children. They are demanding their right to exercise their paternal authority [patria potestad]. That was one of the issues discussed today. It will be discussed again tomorrow.

[Costales] Cossio, in your opinion, how has the U.S. media treated these talks?

[Cossio] They have not given the talks a great deal of coverage. There have been some reports stating that the talks were taking place... [pauses] the talks have been announced, but there has not been much coverage.

[Costales] What is on tomorrow's agenda?

[Cossio] We will continue to address pending issues. Of course, (?they do not include) the case of the murderer... [pauses] who took the life of a comrade in Mariel Bay—Rene Macias. What will happen with his case? The United States has the evidence that Cuba presented on what happened. We will also analyze the measures to be taken so that the Guantanamo Naval Base does not become a focal point and that the people in Cuba wanting to emigrate to the United States are aware that there are ways to do so through normal and regulated procedures.

[Costales] Cossio, thank you and good night.

[Cossio] Thank you.

Office Director Comments on Talks

PA1901024695 Havana Radio Havana Cuba in Spanish 0100 GMT 19 Jan 95

[Interview with Carlos Fernandez de Cossio, director of the North America Office of the Cuban Foreign Ministry, by Zenaida Costales; place not given; from the "Evening Information Review" newscast—live or recorded]

[FBIS Translated Text] [Fernandez de Cossio] Greetings. What we have basically done is to review the various points comprising the agreement signed on 9 September, to see how each party has fulfilled its side of the agreements to guarantee the achievement of its goal, meaning to establish the groundwork to normalize migration relations between the two countries.

[Costales] Could you mention some of the points that have been reviewed? I am specifically interested in the Guantanamo Naval Base issue. Was this issue brought up?

[Fernandez de Cossio] Yes, various points have been brought up. They could be considered the points in which we are most interested, at least for our side. One of them deals with the children who were taken to Guantanamo Naval Base without the consent of one of their parents. There are even cases in which they were taken without the consent of their two parents, meaning they were taken by other relatives. The parents in Cuba are demanding the return of these children. They are demanding the right to exercise their parental authority. That has been one of the points brought up and discussed today, and we will continue to discuss it tomorrow.

[Costales] How have the U.S. media treated these talks in your opinion?

[Fernandez de Cossio] They have failed to give them wide coverage. There have been some reports stating the talks are taking place, meaning this has been announced, but it has not been given wide coverage.

[Costales] What is included on tomorrow's agenda?

[Fernandez de Cossio] We will continue to review pending issues. They obviously include the case of the assassin who killed a fellow combatant, Lionel Macias, in Mariel Bay and what will be done about him, because the U.S. party has the evidence presented by Cuba on the acts he has perpetrated. There is also an analysis of how.... [pauses] of the measures that should be adopted to guarantee that Guantanamo Naval Base does not become a center of attraction and that the Cuban population that wants to migrate, meaning people in Cuba wanting to migrate to the United States, should be aware the way to do so is through the regular, orderly way.

Conditions on U.S. Aid to Mexico Noted

FL1801223895 Havana Radio Rebelde Network in Spanish 1800 GMT 17 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] In the midst of the debates regarding the emergency economic plan decreed by Mexican President Ernesto Zedillo, the newspaper LA REFORMA reported in today's edition that the United States might impose conditions on its announced $40 billion aid package. According to that newspaper, the Banking and Finance Committee of the U.S. Congress has presented a draft document to the White House in which it mentions conditions that might be presented to Mexico regarding its ties with Cuba, illegal migration, and oil, in exchange for the aid. A source from the U.S. State Department admitted that the subject is being debated in high-level circles, but that the Clinton government is opposed to linking Mexico's relations with Cuba to its offer of the financial aid.

Historically, the successive Mexican governments have characterized themselves by maintaining an independent foreign policy. In the last few days, Zedillo's government officials stated that the nation's sovereignty will not be jeopardized by the financial loans being negotiated to offset the fall of the peso.

Rosales at CDR Meeting: Defense Won in Community

FL1401144695 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Jan 95

[From the "Exclusive" program]

[FBIS Translated Text] The leadership of the Committees for the Defense of the Revolution [CDR], and 169 municipal and provincial CDR coordinators met today with Finance Minister Jose Luis Rodriguez. Next, they met with Dario Machado from the Communist Party of Cuba Social and Political Studies Center, and later in the afternoon with Division General Ulises Rosales del Toro, member of the Politburo and chief of the General Staff of the Revolutionary Armed Forces. Afterwards, they met with Ricardo Alarcon de Quesada, member of the Politburo and president of the National Assembly of the People's Government.

The meeting with Rosales and Alarcon was frank, open, in plain language, and broached all the problems and limitations faced by the CDR leaders in encouraging and motivating the people. Firm pledges were made in this regard to inspire, encourage, and unite the CDR members around the goal of making the Revolution grow even further on this, the first trench of the ideological and political struggle.

This is what Ulises Rosales del Toro said:

[Begin Rosales recording] Well comrades, we simply want to thank you for allowing us to participate in this debate and analysis. I want to ardently stress to you that, today, defense is won in the community. Our planning is regional; our concept of war is that of the armed people; and as someone mentioned here, the people have a full time commitment to their community. We need to strengthen the work of the CDR as the tool most appropriate to help us right now. This is the reason we are here. This is the reason why we have held this meeting with you. We are sure that from this moment on, the struggle is going to have an even greater scope because you are more aware of the importance of this issue. Thank you very much. [applause] [end recording]

Finally, Juan Contino Aslan, general coordinator of the CDR, played for all the CDR leaders the new version of the CDR song, which has become the CDR hymn, and also announced that the Doing Radio program of Radio Rebelde will be the voice of the 35th anniversary of the CDR during 1995, the centennial of the death of Jose Marti.

Ross Leal Views CTC Labor Research Meeting

FL1401030295 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0100 GMT 14 Jan 95

[From the "NTV" newscast]

[FBIS Translated Text] A total of 14 institutions were recognized by the Cuban Workers Federation [CTC] for their outstanding work during the first Meeting on Labor Research, which concluded today in Havana City. The debate included 105 theses that expound on the economic transformations that are taking place around the country, as well as their effect on employment. A total of 200 specialists spoke about efficiency and productivity, working conditions, and the new production structures, among other topics. At the conclusion of the meeting, CTC Secretary General Pedro Ross Leal had this to say about the meeting:

[Begin Ross Leal recording] We will take these ideas that have been presented and we will apply those we believe to be useful in improving our institutions' economic efficiency and working conditions. Some of those theses deal with working conditions. We have to take advantage of those things. We now have a treasure in our hands. The most important thing is that we have established a channel between us and these revolutionary forces of the social sciences. I believe they will become permanent advisers to our CTC. [end recording]

Generals Castro, Rosales Chair Turquino Plan Meeting

FL1401021495 Havana Radio Rebelde Network in Spanish 1800 GMT 13 Jan 95

[From the "National Radio News"]

[FBIS Translated Text] The importance of fomenting awareness of the need to preserve the environment in mountainous regions was emphasized by Army General Raul Castro Ruz during a Turquino Plan assessment meeting. Raul insisted on this aspect and recommended expanding the knowledge of nature and mountain crops to primary schools and other sectors of the population. The preservation of natural resources in mountain areas was one of the issues discussed in the meeting attended by members of the Politburo, first secretaries of the party, presidents of the Provincial People's Government Assemblies, ministers, officials, and high-level officers of the Revolutionary Armed Forces [FAR].

Since its inception, the Turquino Plan has fostered a phase of economic and social transformations aimed at restoring coffee, cocao crops, and forests, as well as ensuring high levels of food staples The growing trend manifested by the main development indexes in these regions prevented the decline of production levels experienced in other sectors, however, these indexes also fell short. A new work phase, within the framework of significant changes to the productive structure, is just beginning. This justifies evaluating what has been accomplished and adjusting projections to current circumstances.

In the last few years, the Turquino Plan's statistics show a population growth in the mountain regions, which had dropped steadily between 1981 and 1988. The mass population exodus typical of these regions was halted, but this does not mean that the population level is on the positive side in all the regions. The Turquino Plan has been instrumental in the construction of 11,953 homes, but that is still not enough. In the closing address, Division General Ulises Rosales del Toro, vice minister of the FAR and chief of the General Staff, pointed out that the development of mountain areas must stem from the growth of its own products.

Castro's Congratulations Relayed to Zone 11 Residents

FL1401021595 Havana Radio Rebelde Network in Spanish 0000 GMT 14 Jan 95

[Report by Granma Province correspondent Raul Ramos; from the "Exclusive" program]

[FBIS Translated Text] Congratulations from Commander in Chief Fidel Castro were relayed to the neighbors of the Committees for the Defense of the Revolution [CDR] of Zone No. 11 in Campechuela Municipality, who during the 1993-1994 period made almost one blood donation per CDR member. A letter signed by Jose Miyar, secretary of the Council of State, stresses that these CDR's fulfilled their voluntary blood donation pledges two months ahead of schedule.

Zone No. 11 is located in the Marcial Jimenez neighborhood and has over 1,100 residents, 693 of whom are CDR members, and made 600 blood donations. These CDR's were also outstanding in street cleaning campaigns, food production, reforestation, support to the sugarcane harvest, social projects, and the family doctor program.

Commentary Discusses Efficiency Assemblies

FL1401130295 Havana Radio Progreso Network in Spanish 1200 GMT 13 Jan 95

[Commentary by Luis Orlando Pantoya; from the "First Thing" program] [FBIS Translated Text] Today, I would like to talk about an experience I had during my participation in a meeting. There are meetings and meetings. Some are useful and problems are solved. There are other meetings where nothing happens. This was a useful meeting. In Cuba, a driver gets paid to drive, civil service employees are paid, and there are many people who get a salary. There are certain people that get paid to resolve problems. This is the point from where I would like to analyze the experiences, [pauses] not all but just a few of the experiences that I had at the meeting. This meeting of union leaders took place in Havana City a few days ago. They analyzed the efficiency assemblies. The Cuban Workers Federation [CTC], the Comrade who is the general secretary of the CTC in Havana City, and the first secretaries of national and provincial workers' unions were present at this meeting.

A couple of weeks ago I ran into a friend who said: You know, I don't think that the efficiency assemblies are going to resolve Cuba's economic problems. This was a conversation between the two of us. I said to him: That's true, I don't think that the workers from any workplace—no matter how important it may be—can resolve Cuba's economic problems. I said to him: But the efficiency assemblies can not be seen under that light. Depending on how these assemblies have been oriented, the efficiency assemblies do contribute—and very much so—to solving problems at the workplace. The results of these assemblies are real and solutions are implemented. Let's say that every workplace was to discuss solutions for reducing production costs, how to solve absenteeism, and how to increase production quality. If all of these issues are discussed at the assembly—as well as analyzing the workplace's situation and what to do so workers are properly taken care of, with the resources available—if all of these issues are discussed, that workplace will improve. If this were to happen at each and every one of the efficiency assemblies, no doubt things would improve in Cuba. That was my reply to this friend. Today, I reiterate, especially after having participated in this meeting which examined the entire process, before the upcoming round of efficiency assemblies which are going to take place throughout Cuba. I think that the first thing the assemblies should do is recap the accords from the previous assembly because—as I said before—in this country there are people who get paid to resolve problems. These people are at the workplace.

Administering and controlling a workplace also means solving problems and especially those for which solutions were already given during an efficiency assembly. Because of this it is very important to have the administration's report discussed before the assemblies take place. I know of assemblies that have been organized hastily—a lot of propaganda, posters, and the union and administration's cadres pressuring workers to attend the assembly—then when the assembly takes place, what happens? The report is quickly written up the day before the assembly. If the union secretary has a chance to read it fine, if not there it goes anyway. People find out at the assembly itself what is going on. This is not the way to do things. This report must be discussed by the union's executive committee. The report must be ready ten days beforehand. The report should be placed on the bulletin board at the workplace so the workers can get a chance to read it and become familiar with the main issues. I am aware of workplaces where they have done this and they have even supplied a summary of the main issues. That way the workers do not have to read each word on the report because when people finish work they want to go home. This must be done so the workers, during their lunch break or at any time, can go to the bulletin broad and read the report.

The meeting that took place in Havana City discussed the issue of the efficiency assemblies at great length. I think this problem affects all of Cuba, in some places more and in others less, but in any case I think that this issue is the efficiency assemblies' Achilles tendon. I say this because these assemblies could lose importance or they could turn in to something like the production assemblies. If an accord is reached during an assembly and in the next assembly that accord has not been implemented, the process loses prestige and seriousness.

The union, the administration, and everyone loses prestige. Especially the administration, who, along with the union, must solve the problems. During an assembly, the union can pledge that it will solve problems because there are certain problems that must be solved by the union, however, the administrative problems are the sole responsibility of the administration. The administration has to step forward and resolve problems. When I say administration I am not referring to the word's strict use, but referring to its problem-solving obligation. What I am saying is that as soon as the efficiency assemblies conclude, right then and there, everyone must start to implement the accords. There are people who fall asleep on their laurels. For example, if an accord is reached, the very next day the union must go to the administration and have them resolve the problem by putting someone—giving this person's name—to work on it immediately. They must stay on top of the situation until it is resolved. The union must be intolerant, even if it means pestering the administration, but this must be done. During an efficiency assembly, when recounting accords from the previous assembly, they say it is being solved and that's it. No sir, they must explain what they mean by: it is being solved. They must say it is or it is not resolved because so and so—giving the person's name—did not do anything about the matter. The administration should say clearly the enterprise has not resolved this matter or the equipment needed is not available in Cuba because we do not have the resources to purchase it.

I think that during the assembly criticism must be made, then and there, without anyone getting angry because that's what the assemblies are for. The assembly is the place to criticize those who do not work and those who do not follow through with their responsibilities. The assemblies are not a favor that the workers are getting; it is an obligation. Problems must be solved at the assemblies. It is a place to explain that a given piece of equipment is not available—only after having tried everything possible to obtain it.

I think that the unions, at provincial and municipal levels, and CTC must take drastic measures. This was something that was broached during the Havana City meeting. That is why I was very pleased to see that as of today, Havana City's CTC has agreed to begin controlling the implementation of the accords because, if not, the whole process loses prestige and seriousness.

We can not attend the forthcoming assemblies without convincing answers or solutions to almost all of the problems. All of the problems cannot be resolved—this would be a utopia—but most of them can be resolved. I am not referring to those problems due to lack of resources. During an assembly it is very easy to say: No, I took the matter to the ministry or to the enterprise. That is the easy way out. During the Havana City meeting, Pedro Ross Leal, secretary general of the CTC, stated that these assemblies are not for cadres, but a functional instrument for the worker. Those were Comrade Ross' words. He added: I think these assemblies are a way for the union to work with the workers. This is true. These assemblies are part of the union's work methods. Ross pointed out that these assemblies are an economical, political, and ideological school. The assemblies must be adapted to each sector's characteristics.

The efficiency assemblies are the union's most important task. I agree and there should be no doubts about it. During the Havana City meeting it was pointed out that the CTC and union cadres are obligated to participate in these assemblies. They should attend most of the assemblies, as it is impossible to attended each one. I think they should be present at the assemblies which take place at the most important workplaces in their areas. Union leaders and enterprise directors should attend. There are certain directors who have not participated in important assemblies in their own enterprises or related shops. This is unacceptable, especially, during the present when so much is needed and people have so many problems. Problems, not only at their homes, with transport or with food, but problems at the workplace. After spending a lot of time going and coming to work and spending many hours at work, you see that the problems there are not resolved for lack of will, resolve or responsibility—well just imagine. I think the problem of implementing the accords must be kept in mind. These are hard times, but we must stand up to hard times.

Commentary Discusses Farmers Markets

FL1301170095 Havana Radio Rebelde Network in Spanish 1255 GMT 13 Jan 95

[Commentary by Eduardo Dimas from the "Doing Radio" program]

[FBIS Translated Text] We have committed some of the program's time during the current week to discuss the operation of farmers' markets—those regulated by the laws of supply and demand, as well as those which guarantee the regular ration distribution of the products [placitas o agromercados].

Listeners and some of the people interviewed had different, and sometimes contending views, which could lead some people to believe that farmers' markets, with free supply and demand, could affect the distribution of the regular ration stores.

We believe that the two markets do not oppose, but complement each other. A new endeavor such as farmers' markets cannot be exempt from limitations, deficiencies, wrong interpretations, and even personal blunder, however, for fundamental reasons—namely better selection—we need to thank farmers' markets, which since their creation have made a significant contribution to the balance of national finances, to the restoration of the value of the Cuban peso, and to the diversification of the supply and options which we desired.

In addition, farmers' markets have created the foundations to boost production, which is definitely the true and unique solution to the food needs of our people. It is clear that a depressed agricultural production is not a consequence of the markets. The decline in production was increasing at the time of their creation as a result of shortages in fertilizers, fuel for irrigation equipment, pesticides, and agricultural machinery.

Just the opposite, farmers' markets have made it possible to reverse the situation, due to workers' greater interest in production. But we cannot ignore that there is concern about the high prices in farmers' markets, while the supply in regular ration stores does not increase, creating the impression that production is being diverted to farmers' markets.

However, the reality is that farmers' markets have sold approximately 1 million quintales of produce from October to December 1994. If these tubers and vegetables were distributed by quotas to more than 10 million people, they would amount to only 3.3 pounds per capita, per month. In other words [words indistinct] absolutely nothing.

It is clear that despite a decline in production during these three months, all people in Cuba have attained a much higher amount per capita through government's regulated rations stores, and the additional option of farmers' markets complement the supply. This same supply came from the black market a few months ago, with average prices 40 percent higher than the current prices in farmers markets.

The knowledge and questioning of mistakes and inefficiencies cannot reduce the merit of this new production and trading strategy, which is also conducted to increase self sufficiency, distribution of lands to families, and development of the Basic Cooperative Production Units.

The first results of the new strategy will become clear during the current winter campaign. Production of potatoes, tomatoes, and other vegetables should be available in February, March, and April. The process requires time, and despite our great needs, anxiety cannot lead us to overstate the negative aspects, which will obviously appear before the markets are fully structured.

We need to remember that society is not a lab, where when an experiment goes wrong, or not fully right, it can be repeated. In our society, as well as in any other, once a new concept is experimented with, then it becomes necessary to continue to perfect it. Therefore we need to wait, without forgetting to be critical.

Roundup of Economic Developments

FL1601021395

[FBIS Editorial Report] The following is a compilation of reports on Cuban economic developments monitored through 15 January.

Over 1,000 new houses were built for sugarcane workers in Camaguey in 1994, 376 more than were constructed in 1993. Approximately 1,280 houses were repaired. (Havana Radio Reloj Network in Spanish 1502 GMT 11 Jan 95)

Two manual cane cutting brigades in Sancti Spiritus Province have cut 1 million arrobas of sugarcane during the current sugarcane harvest. (Havana Radio Progreso Network in Spanish 1200 GMT 12 Jan 95)

A Villa Clara machinery plant has built four automatic centrifugal machines to be used in the sugarcane harvest process. France's "(FCB Lige)" company helped build the machines, which can process 22 tonnes of syrup per hour. Three of these machines will be installed at the George Washington agroindustrial complex, in Santo Domingo Municipality. This plant will build eight more of these machines, as well as other machinery, in 1995. (Havana Radio Progreso Network in Spanish 1200 GMT 13 Jan 95)

Cubanacan S.A. and the Netherlands' "(Vitol)" company have broken ground at a site on the corner of Zulueta and Neptuno Streets, in Habana Vieja, on which they will build the five-star Parque Central Hotel. The hotel will have 198 rooms and will be managed by the Netherlands' Golden Tourism International company. Cubanacan, "(Vitol)," and five more companies are forming a new society to build four more hotels. (Havana Radio Rebelde Network in Spanish 1255 GMT 13 Jan 95)

Havana's Pedro Borras pediatric hospital will be remodeled thanks to a donation from the Pedro Borras Foundation, recently formed in Spain. The project will begin in March 1995, will cost approximately 4 million pesetas, and will be completed in two years. (Havana Radio Rebelde Network in Spanish 1255 GMT 13 Jan 95)

Isle of Youth Municipality has set aside 105 caballerias to grow rice in 1995 as part of an extensive self-sufficiency program. The first rice crops averaged yields of 800 quintals per caballeria. The rice planting program will eventually reach 220 caballerias of rice and during the winter season will be rotated with beans and cattle. (Havana Radio Reloj Network in Spanish 2030 GMT 13 Dec 95)

Matanzas Province agrolivestock cooperatives and farmers planted 660 caballerias of sugarcane in 1994. Even though they have not achieved their goal, this is the largest number of caballerias planted in the last five years. (Havana Radio Rebelde Network in Spanish 0900 GMT 14 Jan 95)

Cuban Ambassador to Ecuador Rene Castro Marchante said in Quito that the tourism industry is most important to the Cuban economy and that it is essential to Cuba's future. He added that the goal for 1995 is to receive 1 million visitors, which will generate approximately $1 billion in revenue. (Havana Radio Rebelde Network in Spanish 0900 GMT 14 Jan 95)

One year after they were created, there are 1,352 basic cooperative production units (UBPC) in Cuba. They employ over 122,000 workers. The goal was to create approximately 1,800 UBPCs nationwide; however, some provinces—such as Pinar del Rio, Villa Clara, Granma, and Cienfuegos—have experienced delays in creating new UBPCs. (Havana Radio Rebelde Network in Spanish 1255 GMT 14 Jan 95)

A new electric plant is under construction in Villa Clara Province. The project was presented by specialists from the Las Villas University sugarcane thermoelectric research center during the world conference on energy, development, and environment in Havana. The average electric production in Cuban sugarcane mills is 20 kilowatt/hour per tonne of sugarcane, however, the new technology will produce levels up to 15 times higher. (Havana Radio Reloj Network in Spanish 1509 GMT 14 Jan 95)

Roundup of Politburo Members' Activities

FL1401165595

[FBIS Editorial Report] The following is a compilation of reports on the activities of members of the Politburo of the Cuban Communist Party Central Committee monitored through 14 January 1995.

Alfredo Jordan Morales called for changes in nationwide agricultural production during a visit to Santiago de Cuba Province. (Havana Radio Reloj Network in Spanish 0302 GMT 7 Jan 95)

Pedro Ross Leal chaired the provincial plenum in Havana. During the plenum it was announced that the third cycle of assemblies for economic efficiency would begin in February. Increased profitability and reduced subsidies must be the focus of these assemblies (Havana Radio Progreso Network in Spanish 1100 GMT 7 Jan 95)

Jose Ramon Machado Ventura, in Las Tunas during a visit to several Basic Cooperative Production Units [UBPC's], stated that the creation of the UBPC's has been positive. Machado stressed the need for efficiency during the sugarcane harvest. (Havana Radio Rebelde Network in Spanish 1800 GMT 7 Jan 95)

Alfredo Jordan, minister of agriculture, has said that Cuba generated approximately 21 million quintales of produce in 1994, 4 million less than 1993, and 12 million less than 1992, when a production record of 33 million quintales was set. Jordan added that 350 million liters of milk were produced, the average weight per head of cattle was increased by 37 kilograms, and the total number of cattle in the nation exceeded 4.665 million. Jordan went on to say that financial resources needed to obtain 7 million head of cattle, and produce 1 billion liters of milk are available, and that the greatest mistake agricultural workers can make is to fail to increase food production. (Havana Radio Rebelde Network in Spanish 1255 GMT 9 Jan 95)

Pedro Ross Leal, during a workshop of the upcoming efficiency assemblies, advised that the next round of economic efficiency assemblies will kick off on Isla de la Juventud in February. Ross pointed out that problem-solving efforts, especially in the food production sector, had increased on the island. (Havana Radio Rebelde Network in Spanish 1800 GMT 9 Jan 95)

In Havana City, Pedro Ross Leal has inaugurated a Cuban Workers Federation's workshop on work, which broaches how the impact of Cuba's social and economic transformations have affected the work sphere. (Havana Radio Progreso Network in Spanish 1200 GMT 12 Jan 95)

Haiti

Summary of Electoral Law Provided; Deputies React

FL1801235595 Port-au-Prince Radio Metropole in French 1700 GMT 18 Jan 95

[FBIS Translated Excerpt] Activity has resumed in the Chamber of Deputies. The deputies are basically putting the finishing touches on the definitive vote for the budget of the Republic. This resumption follows submission of the government electoral bill previously demanded by the deputies. Our reporter Edner Jean took a preliminary look at the text of this electoral bill:

[Begin Jean recording] This electoral text is divided into 14 chapters, dealing specifically with the statement for nominating candidates, electoral lists, conditions for eligibility, penal clauses, and some special clauses. At first glance, this electoral text appears greatly inspired by the previous law that led to the 1990 elections, with only slight differences: In chapter five, for example, dealing with the eligibility of candidates, this Provisional Electoral Council, CEP, deliberately chose not to cite Article 291 of the Constitution, which excludes well-known Duvalierists. Let us recall that this clause had aroused much controversy and political frustration in the country. As a matter of fact, Article 41 of the bill stipulates that every Haitian citizen of the required age may bid for an elective function except in cases of incompetence or ineligibility provided by the Constitution and the law. Article 41-1 adds that any member of the military in active service, in order to be a candidate for an elective function, must have obtained a leave of absence or retirement a year before publication of this current electoral law.

The CEP members cite only Article 267-1 of the Constitution. This electoral council was innovative in devising the chapter of special clauses, in which the institution invites registered political parties to take all necessary measures to promote the candidacy of women in the coming elections. In light of this, the fee for candidacy application is reduced to half for all women candidates sponsored by a registered political party.

Furthermore, Article 156 of the bill indicates that due to the political context that prevailed from 30 September 1991 to 15 October 1994, for the Haitians expatriated voluntarily or involuntarily, the deadline for residence provided by the Constitution is shortened to three months for the coming elections. Some legislators expect the Assembly's approval, says Deputy Saurel Yacinthe, based on this first limited look at the electoral law. [passage omitted]

But some legislators are already rejecting the CEP idea of favoring Haitians who had to stay abroad the last three years. Deputy Serge Jean-Louis considers those clauses contrary to the letter of the Constitution. [passage omitted] The Movement for the Establishment of Democracy in Haiti is trying to prompt legislators to add more articles to the provisional clauses. According to a document circulating in the halls of parliament, Marc Bazin's party invites deputies to vote in favor of a proportional ballot for the coming elections. Deputy Joseph Antoine is sponsoring this proposal. [passage omitted]

All these objections took place following the 17 January session, which resumed voting by the deputies on the national budget for fiscal year 1994/1995. No formal session has yet been held on the electoral law. [end recording]

Minister of Public Works, Transport, Communications Named

FL1801181895 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Jan 95

[FBIS Translated Text] Georges Anglade has been appointed minister of Public Works, Transport, and Communication [TPTC]. The Ministry of Information and Coordination advises the public that by order of the prime minister dated Tuesday, 17 January, Mr. Georges Anglade has been appointed minister of TPTC, replacing the current minister who has resigned.

Since he was appointed to the post of minister last year, Marc Henri Rousseau had been the subject of keen criticism from certain demonstrators who were clamoring for his dismissal from the Michel government because they say Rousseau is a former collaborator of the former regime.

Information Ministry Publishes Socialist Congress Agenda

FL1901002295 Port-au-Prince Signal FM Radio in French 1130 GMT 18 Jan 95

[FBIS Translated Text] The Ministry of Information and Coordination has published the working agenda for the Congress of International Socialists of Latin America and the Caribbean, CILC, in Port-au-Prince:

Tuesday, 17 January at 2000: Dinner for the delegates, hosted by the Government of the Republic and the two Haitian parties affiliated with the International Socialists, IS; namely the National Congress of Democratic Movements and the Nationalistic Progressive Revolutionary Party of Haiti at the Steak-Inn Restaurant;

Wednesday, 18 January at 1000: Introduction of the procession [as heard] at the Rex Theatre by Prime Minister Smarck Michel;

18 January at 1300: Speech opening the congress at the National Palace by President of the Republic Jean-Bertrand Aristide, followed by a lunch hosted by the president;

18 January at 1500: First working session at the Kinam II;

18 January 1900: Reception by the Ministry of Culture at the Chateau de la Montagne Noire;

Thursday, 19 January, the final day, at 0900: Second working session at the Kinam II;

19 January at 1300: Closing, with news conference;

19 January at 1400: Departure of the delegates.

St. Vincent and the Grenadines

Prime Minister Reassures Banana Growers on Threats to EU

FL1801011695 Bridgetown CANA in English 2125 GMT 17 Jan 95

[By Corlita Ollivierre]

[FBIS Transcribed Text] Kingstown, St. Vincent, Jan 17, CANA—St. Vincent and the Grenadines Prime Minister Sir James Mitchell said Tuesday the banana-producing Windward Islands should not be "unduly" concerned over reports that United States multinational companies doing business in the Latin American fruit industry had renewed threats against the European Union's preferential marketing arrangements for the Caribbean.

"While one has to take all threats to the regime seriously, there is no need to be unduly upset," Sir James told journalists. He was giving an update on new contractual arrangements with the British company Geest, marketers of Windward Islands bananas. He referred to the framework agreement worked out with the Uettl [as received] Summit last December and the joint technical committee set up to resolve differences, noting the committee should meet soon.

"I expect the understandings established in Miami will be sustained," he said. "Statements will be issued by that meeting on the current position and how this committee will relate to activities inside the World Trade Organisation." Sir James said it was also important that a distinction be made between what precisely is the U.S. position on the issue and comments emanating from

Washington. He said there would always be threats to the European banana regime, which is effective until the year 2002.

"The Governments of the Windward Islands, OECS (Organisation of Eastern Caribbean States), and Caricom, along with other friendly governments in the European Union will have to continue to work hard to minimise those threats. We will continue what so far has been a very successful lobby to protect our banana regime," he told reporters.

Complaining of unfair treatment in Europe, U.S. multinational companies doing business in Latin America have urged the U.S. administration to investigate the EU's banana regime with a view to imposing sanctions on certain EU goods and services.

Sir James said he expects another focus of the Caribbean lobby "would be now to increase dialogue with the United States and, as a result... We will need to have further dialogue with the Latins."

Banxico Governor Cited on Mission in Washington

PA1801191795 Mexico City EL FINANCIERO in Spanish 17 Jan 95 p 4

[Report by Dolia Estevez]

[FBIS Translated Text] Washington, D.C., 16 Jan—Amid the most severe financial crisis ever experienced by Mexico, two cabinet secretaries and the governor of the Bank of Mexico [Banxico] arrived in Washington yesterday to discuss the details—the "concessions," as some call them here—of what the Zedillo administration will have to do to be rescued by "Uncle Sam."

In a telephone interview with EL FINANCIERO from his hotel room, Banxico Governor Miguel Mancera Aguayo categorically denied the Mexican delegation came to negotiate the financial and political conditions of the loan package.

"We came to inform, not negotiate. No agreement will be signed. This is not like the free trade agreement," Mancera replied when asked to explain the "severe conditions" Washington is imposing in exchange for its support.

The loan guarantee program of about $40 billion the White House offered last week requires congressional approval, and this week the Treasury will have to draft the bill that will be presented to the legislative branch. Mancera arrived yesterday to join Finance Secretary Guillermo Ortiz Martinez and Foreign Secretary Jose Angel Gurria. They will hold a number of meetings with members of Bill Clinton's cabinet and the chairman of the Federal Reserve to expedite the processing of the emergency loan guarantee program.

Terse in his answers, tense, and surprised by the call, Mancera struggled to reply to this correspondent's questions.

[EL FINANCIERO] What is your goal?

[Mancera] This is not a negotiation mission. It is to supply information. Nothing will be signed. Our mission is to inform, not to negotiate. We will hold a number of meetings with our counterparts. We came to inform them about the Mexican program.

[EL FINANCIERO] What kind of concessions are they requesting? Secretary of State Warren Christopher said "severe conditions" would be demanded.

[Mancera] This is a measure they are adopting. It is one of their laws. It is not a contract with us; it is a U.S. law that the Americans will implement as they please [que ellos hacen como quieren].

[EL FINANCIERO] Will you accept the offer of petroleum as a guarantee?

[Mancera] These are not negotiations. They will state what they want, and if it is acceptable to Mexico, then we will see. What we need to do at this time is to inform them about the Mexican program.

The Clinton administration wants Mexico to place $7 billion in annual petroleum exports as a "guarantee" for its official approval, and although Mexico has not yet accepted this proposal, the Mexican Finance Secretariat last week rushed to clarify that this would not violate the Constitution. Mancera avoided giving details on the petroleum issue.

[EL FINANCIERO] What was the result of your first meeting with Federal Reserve Chairman Greenspan yesterday?

[Mancera] I informed him about the Mexican program and he took notes. The Federal Reserve has displayed a spirit of cooperation toward Mexico. They think the program is good.

[EL FINANCIERO] What else can you tell us about your stay? Are you optimistic?

[Mancera] I insist, we did not come to negotiate, but to inform.

[EL FINANCIERO] Many in Mexico blame former President Carlos Salinas, former Secretary Pedro Aspe, and you for the financial crisis.

[Mancera] They are wrong.

[EL FINANCIERO] Is it true you opposed the peso devaluation in September?

[Mancera] That is a question that cannot be answered with a single word. It calls for a very complex explanation that would take time.

[EL FINANCIERO] Will there be a news conference?

[Mancera] We will return tomorrow. I do not know whether something is planned. We have not talked about that.

Mancera met yesterday with Greenspan and said he will met him again today and tomorrow. Gurria's meeting with his counterpart Warren Christopher was scheduled for 1700 today.

Although Washington has maintained the negotiations with the Mexicans will focus on the technical "details" of the guarantee package, there is the risk that Congress might try to impose conditions (as it tried to do during the NAFTA debate) related to other issues on the bilateral agenda: drug trafficking, immigration, human rights, and democracy.

Congress Announces Support for Political Accord

PA1901035495 Mexico City NOTIMEX in Spanish 0122 GMT 19 Jan 95

[FBIS Translated Text] Mexico City, 18 Jan (NOTIMEX)—The Mexican Congress today announced its support for the national political agreement the country's main political parties and President Ernesto Zedillo signed on 17 January to promote electoral reforms.

"We, the national political forces, join efforts to contribute to the terms of the agreement to broaden the democratic relations among the branches of the Union. These political forces are also at the service of the state and municipal governments," a communique stated.

The document, signed by the four political parties represented in Congress, added the signing of the agreement constitutes a decisive and fundamental step marking the beginning of a renewed institutional life based on dialogue.

The national leaders of the Institutional Revolutionary Party (PRI), the National Action Party (PAN), the Party of the Democratic Revolution (PRD), and the Labor Party (PT) on 17 January signed an agreement seeking to promote electoral reform.

In addition, the pact will revise, among other issues, the ceilings on the parties' campaign expenses, access to the media, and the financing of the country's many political organizations.

Meanwhile, Chamber of Deputies leader Humberto Roque Villanueva favors that the next regular sessions of the chamber make tangible the reforms stemming from the national political agreement.

Roque Villanueva, a deputy for the ruling PRI, maintained his party will attend these sessions brandishing proposals to estimate the ceilings on campaign expenses, to define the autonomy of electoral bodies, and to achieve a better balance on the accessibility to the media.

Diego Fernandez de Cevallos, former presidential candidate for PAN, deemed the agreement signed by the country's main political forces as "positive and unique."

The agreement "is signed at a crucial time for Mexico," and "it could be the beginning of the new political consensus the country needs now more than ever," Fernandez said.

Furthermore, representatives of certain social sectors said the agreement represents a new form of making politics in Mexico and widens the channels of democracy and pluralism.

PRD, PAN Leaders View Los Pinos Political Accord

PA1801163695 Mexico City XEW Television Network in Spanish 0430 GMT 18 Jan 95

[From the "24 Hours" newscast]

[FBIS Translated Text] [Announcer Jacobo Zabludovsky] PRD [Party of the Democratic Revolution] President Porfirio Munoz Ledo has announced his opinion on the agreement signed at Los Pinos Presidential Residence this afternoon:

[Begin Munoz Ledo recording] I feel that Dr. Zedillo's remarks are sincere and agree with some of our views. There is a background to the historical nature of this meeting; 10 years ago [words indistinct] Francisco Madero. This is a special, historic moment.

I believe we must clearly say this has already gone down in the country's history, whether for good or bad. We are either capable of making these reforms and having a democratic government with everyone's participation in the decisionmaking process, or it will be a national catastrophe.

Our political system cannot take any more. This is the root of the country's economic and social problems. Today, everyone in Mexico knows that this nation was a victim of deceit. Everyone knows that presidential authoritarianism and Salinas' infamy were inadmissible deceptions. Unfortunately, many members of the media, I am not referring to those present here, abetted Salinas and his propaganda.

The people had a rude awakening. The people do not want any more authoritarianism. The people do not want any more centralism in the decisionmaking process. The people do not want any more pacts drafted at the highest level with false social representations. The people want true representatives who can express their feelings. They want a new political model that promotes growth, development, justice, higher salaries, and employment. This is what the Mexican people want. [end recording]

[Zabludovsky] Present in our studios is Carlos Castillo Peraza, president of the National Action Party's [PAN] National Executive Committee. Mr. Castillo Peraza, thanks for being here.

[Castillo Peraza] Thank you.

[Zabludovsky] What is your opinion of the ceremony at Los Pinos?

[Castillo Peraza] It was a very important moment in the country's political life and in its democratic transition. It was a key moment because we are entering a political era in which bellicose feelings are being put aside. Commitments were made in this agreement. Nevertheless, it must be seriously and responsibly said that one cannot announce a fiesta before the mariachis arrive.

[Zabludovsky] When the PRD president spoke at Los Pinos today, he referred to the PAN.

[Castillo Peraza] He did not directly refer to the PAN. He only repeated what the PAN has been saying for 55 years. The PAN did not want to use the moment to tout all of the proposals it has made. Fortunately, the PRD president did that, and we are aware that all of our historic demands have now become the demands of all of Mexican society.

[Zabludovsky] While we wait for the mariachis, would you say this was a positive ceremony?

[Castillo Peraza] It was very positive. It is good for the country. We signed the agreement because we have always placed the nation's interests before the party's. All Mexicans have the obligation to protect the country, and PAN members also have the obligation to protect our party.

PAN Issues Statement on Economic Crisis

PA1801173395 Mexico City LA JORNADA in Spanish 16 Jan 95 p 17

[Statement issued by Mexico's National Action Party in Mexico City on 15 January: "1995: Year of the Political Trial Against the PRI Government"—published as a paid political advertisement]

[FBIS Translated Text] As result of the mistakes, abuses, deceptions, and impunity of the regime during 65 years of autocracy, the Mexican people are now forced to endure a new economic crisis without having attained democracy or the full development they have demanded, continue to demand, and to which they are entitled. Repeated devaluations, which since 1929 and through the present have time and again undermined progress and interrupted social justice, have been the result of mistaken and disastrous public policies. These have been designed and executed by officials of the same party that in each presidential term blames the previous administration, as if there were no links between predecessors and successors.

The PAN [National Action Party] opposes this periodic manipulation of public opinion. The tragic and unfair situation we are confronting today is the outcome of a historically irresponsible and unaccountable regime that seeks to lay blame to provide temporary respite. In order to remedy this situation, it is necessary to understand and acknowledge everything done over the past 65 years.

Some 40 million Mexicans, maybe more, are currently just barely surviving. This situation, in addition to being unfair and unethical, also represents a permanent threat to the country's social and political stability, especially when it coincides with insufficient democratic reform, particularly at the state and municipal level, and creates obstacles to the federalism mandated by the Constitution.

The international support which the government is now receiving may well contribute to calming investors' fears and ensure the much sought stabilization of the financial market. This support can also prevent the crisis from worsening, and consequently, prevent the Mexican people's anguish from intensifying.

No matter what, the PAN believes the solution to Mexico's pressing problems cannot be placed exclusively in the hands of, and much less depend on, the whims of foreigners. The solution must be rooted in the willingness of all Mexicans, whose economic officials must acccount for past actions and future policies through the Congress.

The PAN has never sought to gain political benefits or publicity from the economic crisis or the country's policies. Today, as well as yesterday, we will always place the nation's interests over and above the party's electoral goals. It is for this reason that, during these difficult moments the country is going through, we have not proposed populist, intangible, and demagogic solutions that could well encourage more votes or headlines, but might also result in more economic disorder, as well as more poverty for our compatriots.

Also, we do not believe it is ethical to take advantage of the opportunity offered by this crisis to arouse more hatred and enmity, much less to support violent populist solutions. This would only aggravate divisions among Mexicans, either through words or deeds, and make us more vulnerable to a decline into dictatorship, internal autocratic attacks, and sudden external attacks. It is for this reason that we will not issue accusations until we have sufficient evidence to allow us to establish accountability. Frustration can be alleviated by turning to temporary scapegoats. Categorical justice can only be obtained through legal means.

The support millions of Mexicans gave to the PAN in the 1994 federal and subsequent local elections has given this party a diverse and significant caucus in the Congress. Through this caucus we plan to use those instruments at the people's disposal to demand accurate information from the authorities about the crisis, summon those responsible in accordance with the law, and to denounce them in the relevant courts.

Nevertheless, it is not enough to merely penalize those who committed mistakes or became involved in criminal activities. What is required, through the Congress, is to encourage measures that will repair the structural defects which greatly impede the country's much-desired development. It is critical for clear legal and institutional foundations to be established to prevent what has occurred on so many ocassions from taking place again. This is why we have been encouraging a national dialogue since May 1993—a dialogue in which the government and its party have never expressed any interest in participating. Today, such a dialogue is urgent, and those who yesterday rejected it are ill-suited to now seek to establish themselves as original and exclusive proponents or to insinuate that the PAN has always opposed and prevented this dialogue.

Consequently, the PAN National Executive Council, with the cooperation of the presidents of the party's state committees:

1. Instructs its federal deputies and senators to use all instruments available to enable the legislative branch to investigate the causes of the crisis, identify those who are responsible, and make sure they are punished according to the law. They are also asked to draft and present bills to ensure that the president of the republic does not act with impunity in exercising his duties or act irresponsibly with regard to the impact corruption in the executive branch has on the Mexican people. Finally, they are

also asked to ensure respect for federalism in the discussion of the national Emergency Economic Program and the protection of the sectors affected the most and for the longest time by structural flaws or by the national economic crisis.

2. Reiterates its demand for a national dialogue, as proposed in May 1993, and expresses its willingness to participate in this dialogue with the purpose of formulating a plan for state reform that deals with balance of powers, federalism, municipal authority, etc.; improving laws, institutions, and electoral practices; and promoting a vigorous and just national economy which satisfies the basic material needs of Mexicans.

3. Demands that the government of the republic inform the Mexican people of the repercussions that the economic recovery program could have on the country's sovereignty as well as inform the people of the government's commitments to the institutions that together will contribute $40 billion to this program. At the same time, the PAN National Executive Council demands a detailed explanation from the government on how it used resources from the contingency fund created from the privatization of several public enterprises during the 1988-1994 administration.

4. Urges Mexicans to put an end to 65 years of PRI government through civic and political participation. The most effective political judgment against irresponsible government officials has been, is, and will continue to be their votes. This year there will be elections for governor in at least five states and municipal elections in more than 12 states. Citizens have the opportunity, duty, and right to judge, sentence, and condemn the PRI government at the polls for errors and abuses committed over more than six decades.

Year of the Political Trial Against the PRI Government
Mexico City, 15 January 1995
National Executive Committee
Carlos Castillo Peraza, national president
Felipe Calderon Hinojosa, secretary general
Aguascalientes CDE [State Committee Chairman] Jorge H. Zamarripa, Baja California CDE Mario Luis Corral, Chiapas CDE Hugo Sergio Palacios, Chuhuahua CDE Javier Corral Jurado, Coahuila CDE Luis Rico Samaniego, Colima CDE Remedios Olivera Orozco; Federal District Committee Chairman Gonzalo Altamirano, Durango CDE Salvador Salum, Guanajuanto CDE Juan Manuel Oliva, Guerrero CDE Enrique Caballero, Hidalgo CDE Alejandro Posado, Jalisco CDE Jose G. Tarcisio Rodriguez, Mexico CDE Noe Aguilar Tinajero, Michoacan CDE Luis Guillermo Villanueva, Morelos CDE Raul Hernandez, Nayarit CDE Ceferino Ramos Nuno, Nuevo Leon CDE Raul Monter Ortega, Oaxaca CDE Eugenio Ortiz Walls, Puebla CDE Francisco Fraile, Queretaro CDE Ramon Lorence, Quintana Roo CDE Valdemar Azul, Sinaloa CDE Rafael Morgan Rios, Sonora CDE Leonardo Yanez, Tabasco CDE Nicolas A. Leon, Tamaulipas CDE Gelacio Marquez, Tlaxcala CDE Luis Gonzalez Pintor, Yucatan CDE Ana Rosa Payan Cervera, Zacatecas CDE Leonel Cordero
Individual Responsible for Publication: Carlos Castillo Peraza

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PRI Supporters Stage Protests in Tabasco State

PA1901023195 Mexico City Radio ACIR Network in Spanish 0000 GMT 19 Jan 95

[Report by Ruth Lopez Betanzos and Antonio Nazar; from the "Evening News Panorama" newscast]

[FBIS Translated Text] [Anchorman Jose Cardenas] Undoubtedly one of the most important pieces of news of the day comes from Tabasco State, where rumors have been spreading throughout the day. There is also political uncertainty there. Roads to Villahermosa have been blocked for the demand of respect for the results of the 20 November elections, in which Governor Roberto Madrazo Pintado was elected. Followers of the PRI [Institutional Revolutionary Party] have initiated various demonstrations. Approximately 3,000 PRI supporters were blocking three federal highways leading to Villahermosa, capital of Tabasco State, as of 1400 according to reports from the federal police.

It was also reported another group gathered outside the Congress building in Tabasco. Arturo Turren, federal police officer on duty, said approximately 500 PRI followers first blocked the Villahermosa-Escarcega road near km 39 and 144, respectively. It was reported later other similar groups of PRI followers obstructed traffic on the road between Villahermosa and Tuxtla Gutierrez on km 19 as well as the road between Villahermosa and the border, near km 84.

We have a report by Ruth Lopez Betanzos, who is Radio ACIR's reporter in Villahermosa, Tabasco, and Antonio Nazar, chief of Radio ACIR's news department in Villahermosa.

Ruth, how are you? Good afternoon. Tony Nazar, good afternoon. We are listening to you.

[Lopez] Good afternoon, Pepe. Good afternoon to our listeners. There is confusion and concern in Tabasco today after rumors were spread that Governor Roberto Madrazo Pintado would have to be replaced. Most of the local businesses closed their doors. Long lines could be seen outside gasoline stations in Villahermosa after their owners announced they support Madrazo Pintado. The four access roads to Tabasco were blocked by followers of the PRI who were protesting. Some truck drivers and taxi drivers suspended their service after hearing of rumors that a decision had been made to hold special elections.

Most of the citizens in Tabasco were making this comment. Citizens in Tabasco are concerned and are now buying groceries out of panic. Roads to the airport were blocked by supporters of Madrazo Pintado, while 21 PRI legislators, local PRI leaders, municipal leaders, and

Senator Arcadio Leon Estrada, as well as other social organizations threatened to resign from the PRI if Governor Roberto Madrazo Pintado is forced to resign. If the rumor is confirmed, followers of the PRI in Tabasco would invite Madrazo Pintado to form another regional political organization. They would resign en masse and would ask the federal government for the resources to which the state is entitled according to the president of the political party, Nicolas Hadad Lopez.

Meanwhile, the president of the Grand Commission of the Chamber of Deputies, Pedro Jimenez Leon, has said they would reject any license request, adding they would ask for support from the legislative assemblies of the other states of the republic. Jimenez Leon has said the following:

[Begin Jimenez recording] We want to tell the PRI national leadership it should not expect anything from the people of Tabasco if it did not have the courage to defend Roberto Madrazo's government, which he honestly won. [crowd cheers, applauds]. If no commitment is made in favor of the PRI leadership in Tabasco, we are going to evaluate a serious possibility; that is, to submit to the national executive committee the resignation from the party of the entire Tabasco PRI faction! [Applause]

It is a resignation that has had the support of all alternate deputies. It is a resignation that will also have the support of the municipal presidents. It is a resignation that will also be supported by Senator Arcadio Leon Estrada. It is a resignation that has been supported by many members of our party who have been federal legislators and who are willing to sign the document. [end recording]

[Lopez] This is the atmosphere experienced at the Chamber of Deputies. Pepe, I also want to tell you the local congress remains in permanent session. The PRI and National Action Party deputies agree they are going to defend Tabasco's autonomy.

[Cardenas] Ruth, we have information, if you will, that PRI followers in Tabasco, specifically in Villahermosa, would go to the XEDA television station on 18 January and step up to the microphone during the "Television Report" program. They had some melees with the security staff. What information do you about this incident?

[Lopez] That is correct. Their spirits flared when they visited that program you mentioned on the morning of 18 January, because it seems a PRD [Party of the Democratic Revolution] follower was present. They recognized and went after him. The PRI followers were demanding at that time that Madrazo Pintado be given the opportunity to govern and that the 20 November elections be respected. It is true that two individuals were beaten, and the host concluded the show. He asked state public security agents to intervene.

[Cardenas] More specifically on the events that have occurred so far, the Grand Commission of the Chamber of Deputies has not yet received a petition from Madrazo requesting an eventual leave of absence from the Tabasco government.

[Lopez] Correct. The president of the Grand Commission, Pedro Jimenez Leon, officially told us it has not received any petition, adding the legislators will not approve it even if they received an official petition.

[Cardenas] Is there any other type of protest in addition to the roadblocks PRI followers have set up near Villahermosa?

[Lopez] Only the demonstrations carried out by members of the private sector. For instance, the promoters of housing projects have practically halted 70 percent of their projects. In addition, members of the National Chamber of Commerce closed some of their businesses, as did the owners of certain Villahermosa gas stations. This actuality has created a great deal of confusion, as I was telling you, among people, who are stocking up on gasoline and other basic products out of fear. In fact, some businessmen are taking advantage of this situation to reticket their products.

[Cardenas] Very well, Ruth. Let us go now to Antonio Nassar, news chief of the ACIR Group of the Southeastern Region quartered in Villahermosa, Tabasco State. He also has a report and commentaries on what is going on there. This is all the information we have on hand at this time. Go ahead, Tony; we are listening to you. Good afternoon.

[Nassar] Good afternoon, Pepe and listeners of the "Evening News Panorama" newscast. Yes indeed, there is no official information yet, but we have learned of a report that could become the real version of the events. People are saying Roberto Madrazo Pintado, following a negotiation held by President Zedillo, Porfirio Munoz Ledo, and (Lopez Obrador) to convince the PRD to sign the pact, has accepted relinquishing the Tabasco gubernatorial seat to the PRD. It is being said President Zedillo has requested from Madrazo a leave of absence, but he has refused. It is also being said he has accepted, while respecting the national leadership of President Zedillo, to request his leave of absence as long as he can hold a news conference at the state level in Tabasco to explain the reasons why he is requesting this leave of absence, the real reasons why he is requesting this leave of absence.

The PRD petition consisted of allowing Luis Priego Ortiz to become an interim governor so that he will hold new elections. This is the condition Madrazo set. He was told it was impossible to accept it. It was reported later—information was leaked, hence the origin of the rumors—that Munoz Ledo and Andres Manuel had already learned Madrazo had indeed requested a leave of absence.

According to what was reported by certain media, Madrazo has been threatened. He was first offered to govern for eight months and was told later to govern for two years, and then we will see what we will do, but he did not accept this proposal. He made a commitment to Tabasco, and he has a political career. He has a name that was always been clean. He could not accept these conditions.

As Ruth was saying, this is how things look. If the decision made by the people of Tabasco at the voting tables is not respected, officials of his government, headed by Gustavo Rosario, have offered to form a new party that will definitely respect and will present, whenever necessary, this new party here in Tabasco to hold elections and as a repudiation of the PRI's lack of defense of the vote that favored it on 20 November. [sentence as heard]

[Cardenas] Tony, we have just received from one of our listeners in Tabasco a fax of a paid advertisement published today in the much read newspaper TABASCO HOY. It is a paid ad entitled "Urgent" and is addressed to Dr. Ernesto Zedillo Ponce de Leon, constitutional president of the republic of Mexico. The ad reads textually:

The organizations and institutions comprising the entire productive sector, in business and industry, and agricultural sectors of Tabasco request an audience with you to resolve the social problems we are experiencing in our state. We want to make good your offer that the vote by the people of Tabasco will not be negotiated. We demand respect for our sovereignty and compliance with the law and especially tranquillity and social peace. Mr. President, we thank you in advance for your attention to this matter and insist on the urgency of this situation.

This ad is signed by 10 people who are members of various organizations of entrepreneurial groups—cattle ranchers, businessmen, financial and bonding agents, members of the construction industry, civil engineers, Tabasco architects, engineering associations, horsemen associations, mechanical engineers, agronomists, and also cultural associations.

[Nassar] I am aware of this ad. There is another one that is no less important. Pepe, if you will allow me, I will read it quickly. It is quite interesting and says:

To the national public opinion, to the state public opinion: In view of the political events that have arisen in connection with the post-electoral conflict in Tabasco and in view of the growing rumor that a centralized decision will be made to resolve it, the special PRI state assembly reports on its position. Mr. President of the Republic Dr. Ernesto Zedillo Ponce de Leon. You have offered to ensure compliance with a legal state. Do so. You have pledged to strengthen state federalism and sovereignty. Do so. You have assumed the pledge to respect the vote and not allow illegal negotiations. Do so. You have witnessed the political agreement to make up the country's parties and have promised to remain removed from party political decisions. Do so. You said on 29 December you would not attend or send representatives to the swearing-in of governors due to respect for state federalism and sovereignty. In view of the foregoing, we demand in accordance with your decision that you do not allow the violation of the Constitution of the free and sovereign state of Tabasco at a negotiating table installed in the Government Secretariat. Tabasco, in exercise of its sovereignty, decided its own political future on 20 November. The people of Tabasco will not allow our actual vote to be flagrantly violated. We live in a country with laws, and we obey them. We demand from our party's national executive committee support for Tabasco's position and that it grant us its unrestricted support for the actual vote lodged by PRI followers on 20 November in favor of Roberto Madrazo Pintado. Likewise, we demand that a national political council be summoned to hold sessions in Tabasco in support of the legitimate and legal government. The people of Tabasco voted with certitude. Will we return to times of centralized decisions, or what is this matter about?

This ad is signed by Nicolas Gadaz Lopez, president of the State Director Committee; Gregorio Arias Perez, actions secretary of the FEOP [expansion unknown]; Ricardo Martinez Estrada, secretary general of the CTM [Confederation of Mexican Workers]; Livorio Correa Lopez, secretary general of the CNT [expansion unknown]; Eloisa Campo Gonzalez, secretary general of the PRI State Director Committee; and Veterinary Doctor Jose Luis Solis, executive coordinator of the MTUP [expansion unknown].

[Cardenas] Thanks for the information and the comments, Tony. I also thank Ruth Lopez.

These are still unconfirmed versions the media have as simple rumors. The only facts are demonstrations by a few hundred PRI followers who have closed down access roads to Villahermosa and statements by Nicolas Kadat, president of the PRI State Executive Committee. The fact remains that no request for a leave of absence has been presented yet by Tabasco Governor Roberto Madrazo.

PAN To Propose Hearings Against Public Officials

PA1501043595 Mexico City LA JORNADA in Spanish 13 Jan 95 p 7

[Report by Ismael Romero]

[FBIS Translated Text] The National Action Party [PAN] said yesterday that, in view of the silence of President Ernesto Zedillo's administration, it will instruct its legislators to propose hearings—including political trials—against public officials and former public officials. The party has asked Zedillo to provide a full and clear explanation of the financial management that led to the national economic crisis.

During a news conference, Felipe Calderon, the party's general secretary, said the measure will be finetuned tomorrow during a meeting of the National Executive Committee. He explained that the objective is "to question the secretetary and former secretary of finance and public credit, and the directors and former directors of the government's banking instutitutions—the National Finance Bank, BANOBRAS [National Bank of Public Works and Services, Corp.], and the National Foreign Trade Bank—to determine their responsibility in the matter."

Regarding President Carlos Salinas de Gortari's alleged accountability in the financial disaster, Calderon said that a political trial does not apply and that the Constitution should be reformed to include such legal action.

Nevertheless, he added, this does not exempt the former official morally or politically from giving an explanation for the situation and stating his opinion on what caused the problems the nation now faces.

Calderon said the PAN will ask the Foreign Relations Secretariat if Salinas de Gortari has been given any assignment or commission in connection with his nomination for president of the World Trade Organization [WTO].

Calderon said that if that is the case, the former president will have to appear before the Senate, which is ultimately responsible for the nation's foreign policy, "to explain to the legislators, in a satisfactory way, why he is seeking that office and what is his view and explanation for the chaos and financial disaster that affected the country a few days after he left office."

The PAN leader said that the leaders of his party have already asked the congress's permanent commission to withdraw their support for Salinas's candidacy.

At the start of the news conference, Calderon read a communique in which the PAN maintains that the stock market *crash* and the recent agreement between President Ernesto Zedillo and President Bill Clinton reveals that the country is facing a crisis of major proportions even more serious than a mere imbalance of current accounts, as authorities have indicated.

Thus, the Mexican Government is not prepared to face its financial commitments, specifically those having to do with the foreign debt and obligations in dollar payments, such as the Tesobonos.

Calderon recalled the PAN has repeatedly asked the government for information on the financial handling of the national economy, but has yet to receive an answer.

He noted that what concerns his party, in particular, is the fact that a disproportionate and irresponsible increase in primary loans—which includes money in circulation, deposits and banking credits—served to finance a constant flight of capital throughout the year, which resulted in the depletion of the Bank of Mexico's currency reserves.

According to the PAN, "that exorbitant increase of the primary loans during an electoral year" was funneled through the development banks, mainly through Nafinsa, BANOBRAS, and the Foreign Trade Bank.

"The increase in additional primary loans above the amount normally channeled through those institutions in previous years exceeded 55 billion new pesos, equivalent to approximately $16 billion," Calderon said.

Felipe Calderon stressed that the payment crisis that the government is facing indicates "unacceptable errors in foresight," which must be cleared up.

"Through what mechanisms was that money injected into the economy? How were those loans handled by the development bank and who were they given to? How much of those loans were really funneled into production, and how much financed the flight of currency? How many foreign loans were contracted by the government in recent years without the knowledge of congress? What does this have to do with the fact that a number of officials of the development bank, such as Oscar Espinoza Villareal, or Jose Angel Gurria, occupied important positions in the Institutional Revolutionary Party's campaign and later were appointed to the current cabinet?"

Calderon said that these explanations, which should have been given automatically, were never given. Calderon said that as a result of this, PAN legislators will be asked to begin accountability procedures against current and former government officials.

"In the same measure that a responsible attitude has not been taken, it has become more necessary to bring into force the constitutional mechanisms regarding accountability, which includes a political trial of these officials," Calderon said.

Calderon believes the government has no other option than to conduct itself honestly and not conceal the accountability which is being or has been incurred in the handling of public finances.

Poll Shows Support for Accusations Against Salinas

PA1201035295 Mexico City REFORMA in Spanish 8 Jan 95 p 27A

[Report by Guillermo Aguilar]

[FBIS Translated Text] A large proportion of the population in the capital believe that former President Carlos Salinas de Gortari is responsible for Mexico's current economic crisis, and support the accusations filed by the PRD [Party of the Democratic Revolution] related to his alleged involvement in crimes of treason, embezzlement, and illegal enrichment.

Nearly 77 percent of the population living in Mexico City agrees with the charges filed against the former president. They also believe that President Ernesto Zedillo's administration will not allow a trial to take place.

These results emerged from a poll conducted by REFORMA's Research Department that indicates that a large proportion of the population in Mexico City who contend that Salinas is guilty think this because they believe that Mexico is paying the consequences of his inadequate administration.

Those who agree with the charges believe that Salinas embezzled the country and that the PRD has enough concrete evidence to request that judicial authorities begin a political and penal trial.

Fifteen percent of Mexico City's residents disagree with the PRD's decision. They contend that Salinas has not only been a good president and led the country well, but that the PRD does not have sufficient evidence to support its accusations.

Four percent of those polled said that the issue is just one more of the many quarrels among political parties and that the former president should not be blamed for being a member of the PRI [Institutional Revolutionary Party].

Opinion is divided on who is responsible for the current situation that originated with the devaluation of the peso. Even though the majority of those polled point to the Salinas administration, 48 percent believe that the Zedillo government also shares some of the blame.

Only 5 percent blame Ernesto Zedillo entirely for the country's financial crisis.

With respect to whether Salinas should still preside over the World Trade Organization (WTO), 67 percent believe that he should not, while 28 percent support the former Mexican president's bid for the presidency of that organization.

Furthermore, 66 percent of the Mexico City residents polled disagreed with the support the Mexican Government is giving Salinas in his bid for the presidency of the organization that now replaces GATT. On the other hand, 29 percent believe that Salinas should be supported, while 5 percent chose not to answer.

Poll Shows Negative Reaction to Crisis, Measures

PA1801202495 Mexico City UNOMASUNO in Spanish 17 Jan 95 p 9

[FBIS Translated Text] According to a national poll conducted by Gabinete de Estudios de Opinion, which will be published this Thursday in the weekly ETCETERA, the country's current economic crisis and the emergency measures adopted by the current administration have elicited negative reactions from the public and a decline in the expectation that prevailing conditions will improve.

In 1,100 interviews conducted from 7-10 January 1995, respondents were asked about the national situation, the government's work, and the various economic measures adopted in light of the crisis.

According to the poll, 68 percent viewed the country's economic situation as bad and only 8 percent described it as good. As for the political situation, 6 percent said the situation is favorable whereas 53 percent described it as bad.

Of those polled, 45 percent said adverse economic conditions will continue while only 19 percent expected positive changes.

Regarding political expectations for 1996 [as published], 20 percent said there would be an improvement, while 39 percent believed the opposite.

Compared with figures from last November, when 49 percent of those polled believed the situation would improve while merely 9 percent believed it would worsen, during the first days of January only 27 percent believed the situation would improve whereas 35 percent believed there would be an improvement. [sentence as published]

EZLN Issues Communique on Cease-Fire

PA1901001595 Mexico City LA JORNADA in Spanish 18 Jan 95 p 15

[FBIS Translated Text] Communique by the Clandestine Indian Revolutionary Committee-General Command [CCRI-CG] of the Zapatist National Liberation Army [EZLN], Mexico.

16 January 1995.
To the People of Mexico:
To the peoples and governments of the world:
To domestic and international media:

The CCRI-CG of the EZLN announces that as part of what was discussed and agreed during the first meeting of its delegation with federal government representatives held on 15 January 1995, the EZLN pledged to take measures toward detente.

In addition, the EZLN has responded to the mobilization of important sectors of the Mexican people who once again want dialogue to reach a fair and dignified peace by pledging to insist on a political solution. The EZLN wants to leave on record its commitment in this regard.

Therefore, the CCRI-CG of the EZLN decrees:

An indefinite and unilateral offensive cease-fire so as not to hinder the negotiation for stable peace and publicly pledges the following:

First.—Not to take offensive military action whatsoever against government forces.

Second.—Not to block roads, to respect the freedom of civilians to move freely on the various roads and places where the EZLN is present, and to remove mines from the accesses to Zapatist territories.

Third.—Not to militarily threaten the municipal heads where the EZLN is present, not to militarily take over any public building, and to respect the civilian people who do not sympathize with our cause.

Fourth.—To offer every facility for the International Red Cross Committee to do its work.

Fifth.—To offer Conai [National Mediation Commission] all the guarantees for compliance verification of these points and to accept its intervention to smooth over differences on these temporary truce commitments.

These steps will be valid for all Zapatist forces inside the country as of 0000 on 17 January 1995 and will be observed as long as necessary to achieve a stable and lasting truce.

Democracy!
Liberty!
Justice!

From the mountains of the Mexican southeast.
Communique by the Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army.
Mexico, January 1995.

EZLN Issues Communique on Government Meeting

PA1901004195 Mexico City LA JORNADA in Spanish 18 Jan 95 p 16

[Communique issued by Mexico's Clandestine Indian Revolutionary Committee-General Command of the Zapatist National Liberation Army "from the mountains of southeastern Mexico" on 15 January]

[FBIS Translated Text] To the Mexican people:
To the peoples and governments of the world:
To the national and international media:

The CCRI-CG [Clandestine Indian Revolutionary Committee-General Command] of the EZLN [Zapatist National Liberation Army] informs:

First. A first meeting was held between the representatives of the federal government, headed by Government Secretary Esteban Moctezuma Barragan, and the delegates of the CCRI-CG of the EZLN, Commander Tacho, Rebel Subcommander Marcos, and Rebel Major Moises, in a place in Lacandona Jungle, in the municipality of "San Pedro de Michoacan" in the southeastern Mexican state of Chiapas on 15 January 1995.

Second. With the presence of the National Mediation Commission, Conai, headed by Bishop Samuel Ruiz Garcia, bilateral measures were discussed to diminish the belligerent atmosphere and to avert the danger of armed clashes between the two armies.

Third. In an atmosphere of mutual respect and in the spirit of finding a political solution to the conflict, the meeting was held without delays from 1200 to 1500 on 15 January 1995. Both sides agreed to initiate, with this first meeting, the search for a stable truce and a serious and honest dialogue. The purpose is to find a worthy, just, and true peace.

Fourth. The EZLN and the federal government received a request from Conai, which asked both sides to make an effort to eliminate the high risk of war while the negotiations to find a stable truce take place.

Fifth. The EZLN recognizes the serious and committed effort taken by Conai to avert the threat of war and to find the conditions so both sides of the conflict could hold their dialogue.

Sixth. Both the representatives of the CCRI-CG of the EZLN and the government have agreed to answer the call by Conai and the Mexican people to give clear and unequivocal signals that we have the sincere commitment to continue along the path of dialogue.

Seventh. We, the EZLN, made the commitment to adopt the necessary measures to reduce the belligerent atmosphere and to continue with the direct talks with the government representatives.

Eighth. The EZLN states it has resumed the search for a political, just, and worthy solution to the demands which we have been making since 1 January 1994 and which we have been reiterating on various occasions. Today's meeting is the first step in this regard.

Ninth. The EZLN recognizes the serious efforts and the sincere spirit of the government representatives to find true roads for dialogue and a just and worthy peace.

Tenth. The EZLN is thereby complying with its duty to inform the people of Mexico of each one of the steps it is taking in its just struggle for democracy, freedom, and justice for all Mexicans.

Democracy! Freedom! Justice!
From the mountains of southeastern Mexico. The CCRI-CG of the EZLN.
Mexico, January 1995

Government Response on Chiapas Examined

95CA0085A Mexico City PROCESO in Spanish No 946, 19 Dec 94 pp 12, 14-17

[Report on interview with Andres Aubry by Julio Cesar Lopez: date not given]

[FBIS Translated Text] San Cristobal de las Casas, Chiapas. Andres Aubry, anthropologist, historian, a student of the problems of Chiapas, and an expert on the

Zapatista movement, warns: "We are in the same position as in December '93; the federal government's promises "are not being kept" and the danger that armed violence may break out again "is obvious."

He says: "There have been no substantial improvements in health care, no change is evident in education, there has been no agricultural development, no credit has been made available, and the Indian radio station which they promised in the Cathedral Protocol can still not be heard."

Aubry, director of Inaremac [Institute for Anthropological Research of the Early Mayan Region] speaks with PROCESO of the promises which the government made to the Indians when they took up arms; from a historic perspective he discusses the present situation in Chiapas, and offers a retrospective analysis of the transition government and the autonomous regions.

In his study at home—surrounded by computers and books—he says that in the present situation, a peaceful outcome to the conflict that erupted last January is a political option requiring a recognition of the transition government (led by Amado Avendano) and of the Indians' autonomous regions, as well as the creation of a new pact with the federation.

Aubry, who has preserved countless documents on the history of Chiapas and is the author of essays on the EZLN [Zapatist Army of National Liberation], says that on former occasions, transition governments were able to put a stop to war, and that Amado Avendano now represents that peaceful option.

Seated in a wooden rocking chair in his comfortable study decorated with crafts, Andres Aubry brings up the "prickly" issue of the government's response to the armed group.

He says that the federal government refused to discuss national issues with the EZLN and so, right away, of the 34 points in the Cathedral Protocol, the one concerning the president—whose resignation they demanded—and the Zapatistas' appeal for the democratization of the nation were rejected.

"No progress was made on these issues. It seems that the tactic was to let them stagnate and to tell national and international public opinion that the Chiapas problem is a local problem, and that it is now under control."

The same thing happened, he says, with economic policy: "They continue to act as if nothing should happen in relation to macroconomic policy, which is one of the obvious problems on the agenda, but as that is a national issue, they rejected it."

The 32 remaining points, in which the EZLN asked for social services, did receive a favorable response from the government during the "Days of Peace" in San Cristobal. However, despite the investment made, no substantial changes have taken place in Chiapas.

A task force was created for followup and to put the accords into practice—under the leadership of Hector Hernandez Llamas—"and I believe that there were people on that task force who did take an interest in this area. It would be very interesting to read their reports, but unfortunately, these reports were not made public."

Andres Aubry says that some highly motivated people from the task force did some very efficient field work but, "according to what they told me, the state and national mechanism is not working, and even though the matter is urgent, in the end the system worked the way it always does, so things did not get done."

He does acknowledge that in Chiapas "you can see some work being done on roads and other projects"—outside of the zone under Zapatista control "because they are not allowed in there." He says, however, that "there have been no substantial improvements in health care, education, or agricultural development, and the promised radio station can still not be heard."

The historian, who has received death threats because of his work on the Historic Diocesan Archive, repeats: "Despite the existing tensions, some things have still not been done at all. We saw that a short while ago when a group of journalists had an accident in Huixtan and they brought the Indians to the San Cristobal Field Clinic. Three people were injured: a child, a woman who died, and a man. They found that there was no ambulance, no oxygen, no x-rays, so you can say that the Indian woman did not die because of the accident, but because of the lack of treatment in the hospital."

He asks: "If the situation is like that in San Cristobal, what can it be like in rural areas?" And he concludes: "If in fundamental matters things are like that, then we can say that there has been no change in relation to December 1993." Between mouthfuls of smoke, between one cigar and the next, Aubry expounds on this issue. He returns to the national agenda:

"There is another point that I remember quite well. It was about NAFTA, which the EZLN strongly opposed because of its macroeconomic policy—arguing that Chiapas was in a very bad position to compete—and at that time Manuel Camacho answered that he was going to ask for an analysis from the Secofi [Commerce and Industrial Development Secretariat] on NAFTA's impact on Chiapas."

Smiling, he recalls that Marcos responded that Camacho should not bother about the promised study because he—the subcomandante—had done that analysis in two hours.

But Camacho Solis did request that the study be done. In August the Commerce and Industrial Development Secretariat published three volumes on NAFTA's impact on Chiapas, but the study was so simple "that any student halfway through a degree in economics could have done it."

The first volume contains a discussion of basic commodities, tropical products, etc., "somewhat in the form of catalog listings." The second is a summary. And the third, called *Export Opportunities for Chiapan Products to the United States Through NAFTA*, is a sort of "yellow pages" listing places where Chiapan products can be sold.

According to Aubry, as the conclusion of the "benefits" which NAFTA will bring to Chiapas, the report lists the creation of 14,000 jobs. "But we calculate that the number of jobs needed is 125,000, and Eduardo Robledo Rincon himself, in his inaugural speech, said that 200,000 jobs are needed."

"So NAFTA's true impact has really not been studied at all, because what the Secofi presented was something that an economics student would be criticized for."

In the end, just "words and more words," concluded Aubry in analyzing the government's response to the armed rebels of 1 January.

The Inaremac director also spoke of the real possibility that an armed clash might break out again because of this lack of governmental response to the Zapatistas' demands.

[Lopez] How do you see the present situation? Is there a real danger that violence may break out again?

[Aubry] Obviously, yes. That can be heard in the interviews Marcos has given in the last few days, in which he emphasizes that his people say they are losing everything, and that they are thinking of changing their tactics.

"They have tried to change military means for the peaceful actions of civil society, but civil action has not worked in recent months, no more than it did during the ten years of a slow buildup of strength which precipated the armed option."

"They see that the situation is not moving forward and things are the same as they were on 31 December [1993]. They are determined to achieve something, and they really do want a democratization of the country, and an improvement in the economic and political environment. As nothing has happened, only one solution is left, the armed solution."

Aubrey is obviously worried. At times he becomes more expressive and he raises his hands to his head.

He continues: "We are in an extremely difficult period, which is further complicated by the disappointment of 21 August. There was a massive response to the appeal for people in the forest to turn out to vote, an appeal issued by the CND [National Democratic Convention], which said that democracy does not consist just of elections, but that it starts with elections. The people turned out to vote and then there was the same game that there always is, and that created one more disappointment."

He insists that the risk of violence is high: "After the election we were in a situation in which we had two governments, two armies. Now there are three, since 16 November when armed groups of ranchers demonstrated in Palenque and then in Prusia and at other Motozintla ranches. The third army knows nothing about discipline and it is unresponsive to any attempts at negotiation. It is possible to talk with the two others."

"So the situation is difficult and tension is on the rise. You can feel it, it is obvious."

Andres Aubry does not shun questions, but he does show a preference for talking about his specialty: history.

[Lopez] What is your opinion of the unusual situation in Chiapas, where there are parallel governments?

[Aubry] This is certainly not the first time that there has been a transition government in Chiapas. During the last century there were two: the government of Joaquin Miguel Gutierrez and the government of Angel Albino Corzo. The unique thing this time is that there are parallel governments.

According to Aubry, transition governments have served "precisely to settle peacefully and politically a problem that originated as an armed conflict." That is why he does not doubt that on this occasion Amado Avendano's government may achieve the same result.

He speaks of the similarities between liberal governments and the government led by journalist Amado Avendano:

"The first time a Transition Government was installed was in 1823, when Chiapas was protesting its first Mexicanization."

"Chiapas recalled its ten deputies from the Federal Congress, abandoning the Congress of the Union to form a government fairly similar to the one that Amado Avendano is forming. They set up a transition government that was collegial in style, which was called the Provisional Junta, abolished the former government, and formed what they called a General Assembly, which was very similar to the Democratic State Assembly of the Chiapan People."

"The provisional government lasted for almost two years, until there was a major national forum which decided in favor of Mexico, and Chiapas freely joined the Republic. Afterwards they created a Constitutional Assembly and called for elections.

Deeply moved, he does not tire of pointing out the similarities between the present Chiapan heroes and Avendano Figueroa.

"The other time was even better known. That was at the time of Juarez, when Angel Albino Corzo established a Provisional Government because there was no governability, exactly like now."

The liberal leader who gave his surname as Chiapa de Corzo created "a space of reconstitutionality and suspended the effects of all unjust and inapplicable laws, and established a General Council, very similar to the AEDPCH [Democratic State Assembly of the Chiapan People]. The council then convened a new Constitutional Assembly, which finally resulted, much later, in a constitutional government.

"There have been transition periods somewhat similar to this one, reflecting the crisis of 65 years of PRI [Institutional Revolutionary Party] domination. At that time there had been 25 years of rule by Santa Ana, and then came the transition: 'The Reform.'"

"A transition government is not exceptional in the Chiapan context, nor is it in the national context, for the Ayutla Plan was the precursor of 'The Reform,' which originated with the Juarez people, and one clause of this plan was specifically to create a provisional government until a viable constitutional system was restored."

[Lopez] In the present situation, what viability do you see for Amado Avendano's transition government?

[Aubry] It is too early to say, but with a historic vision it can be said that it has no defects and it works like the former governments did. And now, looking back at them over time, we see that history has proved them right.

"At that time there were highly conflict-ridden governments. Angel Albino Corzo was lucky that the governor who was in office at that time understood that there was ungovernability and that peace in Chiapas was threatened, so he resigned, and that facilitated the process."

"At this time that situation, even though there is ungovernability and a high risk of war, has not yet happened in Chiapas."

"History shows that in each transition period there is a process of quasi-ungovernability or total ungovernability, and then the problem is learning to live with a transition in order to avoid a bloodbath."

[Lopez] You say that in former times when Chiapas experienced a transition, war was able to be avoided. Will Amado Avendano's government be able to stop the war that is threatening to break out at any moment?

[Aubry] That is the option, because this transition government is really manifesting its peaceful option and it is taking those risks precisely to avoid war.

"Civil insurgency is by no means pleasant, but it is much less painful and costs less blood, it is much less traumatic than arms and war. So peace requires those political means."

He says that the insurgents of the past—Joaquin Miguel Gutierrez and Angel Albino Corzo—were similar to Deputy Commander (Subcomandante) Marcos. "They also issued their communiques."

"The protagonists of the past were exactly the same as they are now: the Army, the government, the clergy, with an similar mediator—a bishop of San Cristobal: Ambrosio Llano—the ranchers, and the insurgents: the same cast."

Angel Albino Corzo, he says, recast the state of Chiapas and brought about its second independence "because at that time Mexico was so preoccupied by the French invasion that it could not give the slightest assistance to Chiapas. And that is where the outstanding role of Albino Corzo comes in. He was alone, a little like Amado, when he said: "Do not leave us alone."

He also compares Avendano to Juarez: "And on a national level, when Juarez had no other office but his own carriage and he traveled about Mexico's roads, everybody thought that was crazy. But in the end he changed history and created the history of Mexico."

"I believe that is what Marcos is trying to make us see when he says: 'We do not fear the judgment of history.' With enough hindsight, we see that these are the processes that build the nation."

[Lopez] To what do you attribute the fact that President Zedillo, Marcos, and Amado Avendano himself all return to the words of Benito Juarez?

[Aubry] In all transition periods—at least in Chiapas—a nasty little game is played out, a game in which people are sacrificed, and after their deaths these men will become the heroes and fathers of the country. Future heroes are demonized and killed, like Joaquin Miguel Gutierrez, who was shot down by the government in the Street of Sacrifice in Tuxtla.

"That is a classic phenomenon of history, of all history. Even the saints of the Church were demonized while they were alive, and after they died, shrines were built to them; the same is true for national heroes. Before being heroes they were criminals, they were rebels and outlaws."

Still based on historic analysis, he says that in war, "even though there may be many participants, there are two major options, and the whole problem is having the guts to choose. One may be wrong but, if he is honest and has courage and takes the risks, I believe that is praiseworthy."

"In the past just as now, every family, every town, was split into two sides. A Chiapan poet, Rodulfo Figueroa, told the drama of a young man and his fiancee who were on two different sides, or of a father and his son, and a choice had to be made. So what is important here is the historic root."

[Lopez] In Chiapas there are autonomous regions and territories in revolt. How do you understand that situation?

[Aubry] With the eye of a historian, I see this as a reintroduction of the issue of federalism. The whole struggle of Joaquin Miguel Gutierrez was for federalism, but the problem is that under the federal roof was living, according to the rebels, a military theocratic regime called the Central Republic.

"Chiapas placed itself at the forefront of the federation in the reforms, for the federal cause at that time was nothing other than a fight for autonomy. And now the issue of autonomous regions involves the application of the federal pact, not only in states, but also in subregions. I believe these are things that can be thought about now, even in official discussions."

"Former President Salinas said that was an issue that could not even be thought about, because Chiapas is a border state, and he interpreted autonomy as separatism. But that perception does not correspond to the real demand of the people of Chiapas. Autonomy is not separatism, it is not a break with the federation. It is an additional structure of the federal pact. It does not exclude—it actually includes a number of ethic groups; it is not an ethnic phenomenon—it is not just for Indians. Even Marcos said he was not trying to create Mayan republics."

"Autonomy is a response to a phenomenon that is not just Chiapan; it is a worldwide phenomenon, because development and economic policies are planned at a macroeconomic level, and ultimately they do not work at a local level. So any economist, any development agent, sees that decentralization is needed for development to become somewhat more efficient."

"Autonomy is one possible form of this decentralization. Especially in Chiapas, where the areas are so distinct—-the Highlands are not the Soconusco, the forest is not the Central Valley. There are actually material, geographic, historic, and ecological circumstances, as well as outlooks that create a need for autonomy in order to achieve a certain development."

"We do not have this problem only in Chiapas, but in all developing countries. Even in old democratic countries the economy is not democratic, the factory is not democratic, and schools and universities are barely so; the peasant is still a problem for all economies, and practically all democracies have gone astray in dealing with the rural problem."

"Then the vision of Chiapas, as Camacho Solis said after the Cathedral Protocol had been signed: 'What we have here is that Chiapas is a laboratory for democracy.' I believe autonomy is part of this laboratory."

"Macroeconomic options are tantamount to ethnocide, for there are 200,000 people unemployed and there is no housing. Alternatives need to be found in the natural laboratory, not created from a theory, not dreamed up from dogmas, from doctrines, or from loans from outside. Alternatives need to arise from practice."

"When Lazaro Cardenas came to Chiapas in 1940—he was the first president to come while he was in office—he distributed 300,000 hectares of land, and here, as in the rest of the republic, he even distributed arms so the people could defend their ejido and their school, for they were federative images. Now it will not be in the small size of an ejido, but there will be federative structures and images that are going to nourish each other, like the ejido and the colonia, the municipality and the autonomous region, in a free and sovereign state."

[Lopez] What are the real possibilities for a political solution to the armed conflict?

[Aubry] Well, as it will be either war or peaceful means, that is what makes me choose the side I support. If a person does not want war, he must take the political steps that have now appeared: a transition government, autonomy, and a new dialogue with the federation.

[Box pp, 14-15]

The Inheritance of Chiapas's New Attorney General

Tuxtla Gutierrez—In Chiapas "crime and impunity reign," admits Jorge Enrique Hernandez Aguilar, who was recently named attorney general of Chiapas by the government of Eduardo Robledo Rincon.

He tells of "bloodcurdling" murders, like that of 30 homosexuals, a case which is still unsolved; he cites more than 1,000 invasions of lands; recalls about 25 kidnappings; warns of the existence of organized crime; says that the situation is very distressing in terms of the administration of justice; and acknowledges that in some investigations "we will have to start from zero."

"That is," he says, "the outcome of a truce that has turned out to be much more violent than the fighting at the start of the year when war was declared. That is what I have inherited."

And there is more. The new official speaks of human rights violations which took place in Chiapas before the conflict broke out, and which were one of its causes: "Until 1993, the history of Chiapas was one of great repression and threats. The resolution of agrarian problems was put off. And so, when on 1 January the lid that kept all these problems bottled up was removed, dissent erupted."

Hernandez Aguilar knows what he is talking about because, he says, he himself was a victim of a violation of his civil rights when he was accused of involvement in the crimes of "disorder and rioting" during the government of General Absalon Castellanos Dominguez.

He was a prisoner for 22 months in the Cerro Hueco prison from the end of 1984 to 1986. Acting in his capacity as a journalist and attorney, he had been working with the corn growers, who were fighting at that time for an increase in the guaranteed price of corn.

With the experience of having been in jail, Hernandez Aguilar says ironically: "I am the only career public servent in this Attorney General's Office. I started at the bottom, in the cells. I spent 22 months in jail. I know what a criminal trial without constitutional protections is. In May 1986 I was finally cleared. I am a client of the Attorney General's Office. My presence here is unusual."

Interviewed in his office at the PJE [Office of the State Attorney General], he spoke of the impunity with which the Chiapan police have operated:

"The State Security Coordinator's Office has become a big fiefdom of power. The police chief, Ignacio Flores Montiel—in Patrocinio Gonzalez Garrido's government—controlled all the citizens' security, and he was a great protector of crime. Terrible crimes went unpunished. Today we are working on a reorganization plan to put an end to that power fiefdom."

He believes that in those years the Rapid Reaction Force, a police organization—now abolished—was a resounding failure. It was made up of police known as "the panthers." He recalls that one of the most sensational crimes, committed against his fellow attorney Raul Castrejon Garcia, was perpetrated in front of a group of these "panthers" who never reacted.

He mentioned another anomaly which he wants to remedy:

"The Tuxtla police are not part of the municipal government, but are part of the state security structure. Now we will turn over to Tuxtla what it should have and we will give each police organization the function it should have."

Hernandez Aguilar says that the Zapatista Army's uprising has caused police organizations to be left disorganized and without support: "Everything has become chaotic. There was no one to organize the police, to take responsibility for handling so many criminal actions."

The attorney general announced that earlier investigations and accusations made by citizens against Flores Montiel will be reviewed. As recently as within the past year he was cited as the principal violator of human rights in Chiapas.

He recalls, for example, the way in which Flores Montiel had Indian villages demolished, houses destroyed, and was involved in kidnappings, rapes, tortures, and illegal arrests.

In those days, according to journalists' reports, the former police chief was involved in crimes against a number of homosexuals, some of them right in the center of Tuxtla. Those crimes drew protests from a variety of human rights organizations throughout the nation, primarily from the Gay Cultural Group headed by Jose Maria Covarrubias.

"Those were terrible times," says Hernandez Aguilar. "Cerro Hueco was packed with Indians and leaders imprisoned on false charges, even priests like Joel Padron."

"The citizens were under attack, but they could never react publicly due to the repressive conditions. Maybe we will find something now that will allow us to take action on these abuses."

He also discussed the historic problem of Chiapas, which has been a cause of the Indians' rebellion: "I have still not reviewed all of the many cases, but I believe there have been over 1,000 invasions of lands, both small and large properties, coffee plantations, and cattle ranches from 1 January until the present. The intensity of each problem is quite diverse. The invasions are complicated because these are not just legal problems, but they also have political overtones. We have to be cautious in order to avoid clashes. And there is also the complex issue of kidnappings."

Plans

A former colleague of Amado Avendano at the periodical TIEMPO and of Bishop Samuel Ruiz in the diocese of San Cristobal de las Casas, Hernandez Aguilar says he will make major changes in the Office of the Attorney General of Chiapas.

"The first thing I have started to change is the premise governing guilt or innocence. Here everyone is innocent until a full investigation has been completed and there is sufficient evidence to assign responsibility for a crime. That is essential. I have given that order to all employees of the Public Prosecutor's Office.

"In addition, the use of confessions as evidence, until recently considered the supreme evidence that enabled guilt to be fabricated, is no longer valid. We will establish protections to which the accused person is entitled throughout the criminal process. I am very mindful of the cells, of police arrests. I am trying to avoid to the utmost any violation of the legal process."

In order to improve the administration of justice, Hernandez Aguilar indicates that he has just established a citizens advisory council composed of attorneys, representatives of youth groups, housewives, tenants, Canaco [National Chamber of Commerce] merchants, businessmen from the Coparmex [Employers' Confederation of the Mexican Republic], people who have been kidnapped or the victims of kidnapping attempts, and very soon, of representatives of homosexuals.

He says enthusiastically:

"I will become a coordinator for the adminstration of justice. I will assign projects. I will be the facilitator. This advisory council will have an impact on all the cities so that agents of the Public Prosecutor's Office and the police will have extremely severe inspectors. The people will have access to cells. We will give identification cards to the members of this council, so that without an advance agenda, they may attend sessions at the Attorney General's Office and will be able to seek protection for any right that is being violated."

"The citizens will select their agents in the Public Prosecutor's Office, with the sole condition that these agents must belong to the place where they work, so they will feel greater responsibility. Human resources are also being strengthened, since the problem of the administration of justice is not merely a legislative matter. In the end, this will be a different style."

To solve the case of the murdered homosexuals, Hernandez Aguilar reports that he has set up a group composed of homosexuals and members of the Attorney General's Office. He says:

"We will go into the most sensational murders in depth, investigating administrative irregularities on the part of the government, like the issuing of licenses and permits. We will certainly meet with officials from past administrations. We will report the facts. We will let the chips fall where they may. I have made no deals. I am ready to do this. If tomorrow Governor Eduardo Robledo Rincon tells me that what I am doing is wrong, I will go back to my periodical, where I have worked for 19 years, and to the School of Law, where I have been the director for five years. But in the meantime, I am going to start off with a bang."

[PROCESO] What is your opinion of the military patrols the governor has requested?

[Aguilar] The patrols are strictly preventive measures. In this Christmas season, there is a greater flow of money, with more cash around. In addition, in terms of criminality, the social climate has deteriorated a great deal. That is why we are doing all we can to keep the citizens' safe.

[PROCESO] Will there be problems with Amado Avendano's parallel government in the administration of justice?

[Aguilar] Amado and his wife Conchita deserve my respect and my affection, although they have told me that they no longer consider me their friend. That does not matter. I still respect them. I will be the best protector of their personal safety.

"Governor Robledo's instructions were very clear: in the Attorney General's Office there is no plan to harass anyone. We all hope to establish a dialogue with the Zapatista Army. The new schema of political relations has generated more citizen participation, a greater awareness of the gravity of our problems. We have made the commitment to work together to find a political solution, and not a solution of any other nature."

—by Guillermo Correa, Julio Cesar Lopez, and Rodrigo Vera

Unions Agree on Strategy To Strengthen Labor Movements

PA1401210695 Mexico City LA JORNADA in Spanish 12 Jan 95 p 44

[Message from the organizations belonging to the Federation of Unions of Goods and Services Companies to "the Mexican Government, to the organized labor movement, and to the general public," issued in Mexico City on 12 January]

[FBIS Translated Text] To the Mexican Government,
To the organized labor movement,
To the general public;

During our plenary meeting on 11 January, the organizations that belong to the Federation of Unions of Goods and Services Companies analyzed the nation's economic situation and the problems of each of our unions and discussed the need to promote a strategy to unite and strengthen unionism that will allow the labor movement to participate in the search for real solutions to the nation's difficult situation.

One of the agreements unanimously approved at this meeting was to extend complete solidarity to our fellow workers of the Mexican Trade Union of Electricians [SME] in their struggle against the privatization of the national electric power and security companies and against any reduction of the central light and power organization and to support the decision of the SME assembly that salary revisions be subject to the economic capacity of the company and to negotiations with the union.

Another agreement is to combine efforts with our fellow workers of ASPA [Trade Union Association of Airline Pilots] and ASSA [Trade Union Association of Airline Cargo Workers] in the face of the current complex situation of the airline industry, and also to support our fellow workers of the Stym [Trade Union of Technicians and Manual Workers of the Studios and Laboratories of the Film Industry, Ltd., of the Republic of Mexico] to comply with an agreement to modernize the Churubusco studios.

We agreed to look for solutions to the problems faced by our fellow workers of Volkswagen of Mexico. At the same time, we fully support the contract review of our fellow workers at ATM [Alliance of Tramway Workers of Mexico]. Likewise, we agreed to support the STRM [Trade Union of Telephone Operators of the Mexican Republic] during the current process of opening the sector to competition so that it be carried out in concert.

We agreed to oppose the revision of the Federal Labor Code and to present our agreements to the labor congress, as part of our decision to convoke and work intensively toward the strengthening of the unity of all labor unions, because only with a united front will working men be able to find a national solution to the situation affecting our nation.

Fraternally,
"Toward the democratic organization of working men"
Mexico City, 12 January 1995
Trade Union Association of Airline Pilots (ASPA)
Trade Union Association of Airline Cargo Workers (ASSA)

Alliance of Tramway Workers of Mexico (ATM)
Mexican Trade Union of Electricians (SME)
Trade Union of Telephone Operators of the Mexican Republic (STRM)
Trade Union of Technicians and Manual Workers of the Studios and Laboratories of the Mexican Film Industry, Ltd., of the Republic of Mexico (Stym)
Independent Union of Workers of the Automobile Industry, Ltd., "Volkswagen of Mexico"
National Union of Workers in Finance, General Services, Trade, and Similar and Connected Fields of the Mexican Republic (Sinatsefisc)
National Union of Workers and Authorized Workers of the Auto Transportation Industry, Ltd., of the Republic of Mexico (Sinra)

Deputy Prosecutor on Assassination Investigations

PA1601005595 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 12 Jan 95

[From the "Early Morning" newscast]

[FBIS Translated Text] Deputy special prosecutor Pablo Chapa de Zanilla, in his first news conference, announced the creation of three commissions to investigate the assassinations of Luis Donaldo Colosio, Jose Francisco Ruiz Massieu, and Cardenal Juan Jesus Posadas Ocampo.

One month after he assumed office, Chapa de Zanilla is basing his investigation of the three assassinations on the complete lack of police action to determine the truth. There are already new pieces of evidence and what he describes as the possibility of restoring confidence in the administration of justice. He believes that the motives for the crimes could range from personal revenge to drug trafficking. He said these things in a news conference, in which he read from a 14-page document.

[Begin Chapa de Zanilla recording] Meetings with legislative commissions were held yesterday to keep the people informed about the progress of the investigation and the status of the criminal proceedings. A close relationship will be established with legislative commissions in charge of following up on the assassinations of Colosio and Ruiz Massieu. All of these things have made it possible for me to have a clearer image of each of the victims. Plans and work strategies will help us advance more rapidly in the investigations. A log is being kept of all the daily actions of the deputy attorney general and each of the areas he is in charge of. This has permitted us to make significant progress in the investigation, which we will report in due time. [end recording]

He also pointed out that the results of the investigation will be reported to Attorney General Antonio Lozano Gracia. Chapa de Zanilla says that his prestige is at stake in this work.

Attorney General: Drug Trafficking Fight Corrupting PGR

PA1501235195 Mexico City REFORMA in Spanish 12 Jan 95 p 4A

[Report by Gerardo Roman]

[FBIS Translated Text] Attorney General Antonio Lozano Gracia yesterday said that the fight against drug trafficking has been the preeminent factor of corruption within the Attorney General's Office [PGR], and the work of the Federal Judicial Police [PJF] has significantly deteriorated.

Lozano also criticized the lack of coordination among the many divisions of the organization he is heading, because the Deputy Attorney General's Office has taken over most of the duties of the PGR .

He pointed out that the Deputy Attorney General's Office controls the Inspector General's Office; the PJF Directorate General; the Northern, Central, and Southern Areas Coordinator General's Office; the Investigations Directorate General; the Intelligence Unit; the Office for the Coordination of the Deputy Attorney General's Offices [Unidad de Interprocuradurias] Unit; and the 31 state delegations.

"In other words, the duties of the Deputy Attorney General's Office are practically the same as those of the PGR. This is how the institution works. This organizational chart corresponds to political ideas and interests, and the institution cannot be managed as it is," he maintained.

Secretariat: Taxable Income Base To Be Expanded

PA1801010995 Mexico City NOTIMEX in Spanish 1945 GMT 17 Jan 95

[FBIS Translated Text] Mexico City, 17 Jan (NOTIMEX)—The Mexican Finance Secretariat announced today the taxable income base will be expanded during this administration.

The under secretary of the Revenues Department of the Finance Secretariat, Pedro Noyola, said although income tax revenues increased from 4.7 percent of the 1988 GNP to 5.7 percent of the 1994 GNP, it is still low, and "we must increase it."

Noyola said for member countries of the Organization for Cooperation and Economic Development, which Mexico joined in 1994, the average fiscal income tax burden is 10 percent, almost twice what it is here.

In dedicating the "Seminar on the Fiscal Dispositions for 1995," which was organized by Mexico City's National Chamber of Commerce, Noyola recalled the tax was significantly modified during the period 1988-1994 so as to adjust it to the economic setting of that period.

The official said: "International fiscal experts throughout the world nowadays view Mexico's income tax system as one of the most modern."

Noyola said "one main goal" during this administration will be the modernization of the fiscal system, and tax administration will be perfected, because compliance with fiscal obligations will be voluntary.

Noyola added: "The fiscal program will take place amid the Economic Emergency Program which was announced at the beginning of January and which is based on the significant progress achieved in fiscal matters in the past few years."

IDB Grants Loans for Education, Development

PA1501015695 Mexico City NOTIMEX in Spanish 0153 GMT 14 Jan 95

[FBIS Translated Text] Mexico City, 13 Jan (NOTIMEX)—The Secretariat of Finance disclosed today that the IDB has granted Mexico two loans for a total of $893 million. These credits will be allocated to support this country's education sector and municipal development.

In a communique, the Secretariat of Finance pointed out that the first loan, which amounts to $393 million, will be earmarked to finance a program to overcome the educational lag.

Its main objective will consist of improving the quality of education in the states of Chihuahua, Mexico, Nayarit, Queretaro, Quintana Roo, Sinaloa, Sonora, and Zacatecas through a reduction of the numbers of people who fail and drop out.

The project constitutes the fourth operation financed by foreign resources to support compensatory educational programs, which currently cover 23 states of the republic.

The second loan, which amounts to $500 million, seeks mainly to meet the needs of communities regarding small works of infrastructure.

The two loans were contracted for a redemption period for 20 and 15 years, respectively, including a five-year grace period and a 6.81-percent interest rate, which can be adjusted every six months.

Decree Promulgates Trade Accord With Colombia, Venezuela

PA1001142495 Mexico City NOTIMEX in Spanish 1931 GMT 9 Jan 95

[FBIS Translated Text] The Mexican Foreign Relations Secretariat published in the DIARIO OFICIAL DE LA FEDERACION today the decree promulgating the free trade agreement signed between the Group of Three (G-3) nations that went into effect on 1 January.

The document states the agreement, signed in Cartegena de Indias, Colombia, by the members of the G-3 (Mexico, Colombia, and Venezuela) on 13 December 1994, seeks to foster the expansion and diversification of free trade among those countries.

The regional agreement liberalizes trade among the parties through a program automatically removing import taxes from products at a rate of 10 percent per year in the 10 years following its enforcement.

In addition, the agreement presents the establishment of measures for applying and complying with the trade agreement, its joint administration, the settling of disputes, and the protection and validation of intellectual property rights.

The agreement includes 23 chapters on initial regulations, general definitions, national conduct, the access of products to markets, the automotive sector, the agricultural and livestock sector, plant and animal sanitation, rules of origin, and safeguards.

It also regulates areas on customs procedures, unfair international trade practices, general principles of foreign trade, telecommunications, financial services, the admission of businessmen, and technical standards.

Other topics mentioned are the purchases of the private sector, policies regarding state owned companies, investments, intellectual property, settling disputes, administrating the agreement, honesty, exceptions, and final arrangements.

On import taxes, the agreement establishes that none of the parties can increase existing import taxes, or adopt new ones, on incoming goods except when another measure has been established.

The trade agreement between Mexico, Colombia, and Venezuela states the different parties will facilitate access to their markets by reducing or eliminating barriers on imports and exports in the reciprocal trade of agricultural and livestock products.

Likewise, it establishes that the authority in each country is responsible for administrating its laws and its customs, tax, and trade regulations.

Another chapter states the parties can apply a safeguard measure on the importation of goods. Its application will be based on strict, clear-cut criteria with a definite time limit and will include measures of a bilateral or general nature.

El Salvador

President Reports Arrival of U.S. Soldiers on Mission

PA1901043695 San Salvador LA PRENSA GRAFICA in Spanish 18 Jan 95 p 6

[FBIS Translated Text] Salvadoran President Armando Calderon Sol has reported the arrival of a new contingent of U.S. soldiers who will carry out Operation "Fuertes Caminos" with development programs in the country's eastern communities.

The U.S. military personnel, who are assigned to units stationed in Panama, Texas, California, Mississippi, Wisconsin, and North Carolina, arrived in El Salvador on 12 January and will conclude their work on 20 May.

The U.S. soldiers will build 10 schools and two bridges, drill 10 potable water wells, and give general maintenance to various rural roads in San Miguel and Usulutan Departments, located in western El Salvador.

The U.S. construction force, led by Lieutenant General William H. McCoy, who led the first "Fuertes Caminos" program in El Salvador in 1993, will be supported by the Public Works, Education, and Health Ministries, the National Reconstruction Secretariat, and the Armed Forces of El Salvador.

President Calderon Sol has said "Fuertes Caminos" will help the good relations that exist between the United States of America and El Salvador.

Calderon Sol Discusses Economic Plans

PA1501230695 San Salvador Radio Nacional de El Salvador Network in Spanish 1615 GMT 12 Jan 95

[News conference by President Armando Calderon Sol with local reporters and unidentified moderator at the National Police building in San Salvador—live]

[FBIS Translated Text] [Moderator] Dr. Armando Calderon Sol will answer your questions now. Let us begin with Sandra Serrano of Teleprensa Television Channel 33, according to what it says here. Go ahead, Sandra.

[Serrano] Good morning. Two government positions have not yet been filled. I want to know if you have selected the people who will occupy those posts and, if so, who are they?

My second question: Much has been said recently about the government's new economic plan. There is talk about lower duties, an increase in the value-added tax [VAT], and interest rates. We want to know the official report.

[Calderon] Thank you for your question, Sandra. You know we have said we would announce the names of the finance and agriculture ministers. They will be sworn in tomorrow. (Manuel Enrique Jaens), a prestigious Salvadoran economist whose record as an economist and academician is well known, will be the finance minister. Oscar Manuel Gutierrez, a prominent farmer and economist, will be the agriculture minister. He is well known in dairy sectors and by the agricultural cooperatives and the Sonsonate dairy cooperative.

These men know their work. We know they will help the government program to resolve national problems.

As for your other question, I can tell you we have been circulating the government's economic plan as well as the measures we want to adopt. We have been talking with various sectors, including the business, political, labor, and military sectors. We will be talking with them again this afternoon. We have been talking with everyone about this plan. We have been listening and looking for agreement. We have been looking for national analysis and acceptance of this economic plan, which is aimed at generating jobs, welfare, health, housing, and development for the Salvadoran people.

We want to explain our plan to the citizens. The media and academicians are discussing it. We hope the economic measures we plan to implement to promote the national economy are accepted.

You have seen how much growth we had this year despite the fact that it was an election year and that there was a transfer of government. The country grew. We must remain on this road of economic growth and development to improve the people's welfare and the standard of living of the poor.

[Moderator] We beg the reporters to ask one question only. The president must go to the Legislative Assembly in a few minutes. Let us have the second question. Oscar Tenorio from Front Page.

[Tenorio] Good morning, Mr. President. A couple of days ago the vice president said that the joy produced by full compliance with the peace agreements will be followed by the realization that the country is in debt to countries and international organizations which contributed to this compliance. Yesterday the president of the National Telecommunications Administration, Juan Jose Domenech, said the VAT increase would help pay that debt. Is that the reason for the possible VAT increase?

[Calderon] Yes. Some sectors have commented that no one imagined how costly the agreements would be. No one knew what the peace agreements would cost. The peace agreements, without considering normal budget expenditures, cost more than 13.7 billion colones.

As you can see, that is a huge amount of money. The international community has donated approximately 4 billion colones and has delivered more than 3.5 billion colones in loans. This information can be clearly explained to the nation. In a few days we can give details of this. We still have a deficit of 2.2 billion colones needed for full compliance with the agreements.

As you can see, all Salvadorans are making the effort for peace and reconciliation, for compliance with the agreements.

Undoubtedly, paying for this and reducing the fiscal deficit are big challenges, and we have to collect taxes more efficiently. We are trying not to increase taxes, but we do have to do an analysis and at a suitable moment announce the measures the government will adopt.

Right now we are discussing the plans with all sectors of the country.

[Moderator] Antonio Alvarado of TV 2. He is not here, so we will continue with Alfredo Villarreal.

[Villarreal] Good morning, Mr. President. With the increases in electricity, water, telephone rates, and now your economic plan, the opposition says it is an attempt against the peace process and that it will cause social unrest. As president, how do you think the poorest of the poor—as President Cristiani used to call them—will react to so many increases at the beginning of the year?

[Calderon] Look, I don't want increases, and I don't think anybody does. Personally, I am the first to oppose increases in utility rates, in electricity and water. The tragedy, however, is that there was squandering and destruction in the past, there was and is a need to increase the water lines in view of the population increase.

The problem is installing more electricity lines. During the rainy season there are many breaks in the lines, and we have to improve them. A lot of investments have to be made. There is a problem of energy. We must produce more electricity in view of the industrial growth. We need energy in order to generate more jobs. We need electricity to promote our industries. That situation demands that these services adjust to our economic reality. That is what has happened. Although we do not want to, we have to make these kinds of decisions. The Salvadoran people must understand this, because it is for the future of our children, it is for the future of El Salvador.

[Moderator] Duente Arauz Alarcon of EL DIARIO DE HOY.

[Arauz] Good morning, Mr. President. The UN Observer Mission in El Salvador [ONUSAL] will be leaving on 30 April. I want to know if you could summarize the almost four years it spent in El Salvador.

[Calderon] I think the UN mission has been vital for the Salvadoran people. If we review the country's past and Onusal's work in El Salvador, we have to agree that Onusal vitally and essentially contributed to peace in El Salvador, to Salvadoran harmony, and to the triumph of reason.

I think it would be unfair not to say this. I think history will be ONUSAL's best ally. I think history will allow us to view events dispassionately and realize the work and role played by ONUSAL in securing peace and harmony in El Salvador.

I firmly believe that the United Nations, the international community, played a vital role so we could end the fratricidal war among Salvadoran brothers.

[Moderator] Tony Bineros from La Noticia.

[Bineros] Good morning, Mr. President. I have a question and a request. There has been much speculation about the government's economic measures, which are being discussed by the sectors you mentioned, but you have not said in your own words what your proposed measures are, beginning with the reduction of duties, a fixed price for the dollar, and the VAT increase. We would like you to explain this so we can report it to the people. You have said you are prepared to reduce the state. You have been saying it since the end of the year. You have mentioned some ministries where this reduction could take place. Have you considered the possibility of reducing the Armed Forces?

[Calderon] The Armed Forces have just been reduced. We all know they have been reduced. Important agreements were reached to make this reduction. Evidence of this is the big debate over the approval of the Armed Forces, the government, the country's general budget. I can tell you the debate on the reduction issue is over because the armed institution has been drastically reduced.

Regarding the state's reduction, I believe we have to make the state more efficient. We believe that if the state is not modernized, not reduced, we will not be able to bring more investments for the benefit of the Salvadorans, we will not be able to provide better services. If we maintain an inefficient bureaucracy that does not contribute to development but obstructs development, we will not be able to have better health and better education.

We clearly understand this, and there is agreement on the need to modernize. The matter is how to go about it. Generally speaking, there is consensus on modernization and on greater state efficiency.

Regarding the economic program, I do not want to give any advance information because there will be a special program. This public servant will provide a special report once the official program is initiated.

Right now we have proposed measures. We have said we are listening to the various sectors. We are not imposing anything. We are seeking agreements to turn this plan into a veritable national plan. We are listening. We have told the sectors that we are not the owners of the absolute truth.

We would not need to consult them if [words indistinct]. We would only tell them: Look, this is the program. But that is not what we are doing. We are presenting the program and want to hear suggestions from the various sectors. We want to generate a climate of national agreement because the national program will be much more successful if it is agreed upon. We want the program to be widely accepted by the media and all sectors in the country. That is why I tell you, Tony, that I will present the program at a later date.

[Moderator] Rosy Castillo of the new RADIO POLITICA.

[Castillo] Mr. President, good morning.

[Calderon] Good morning [words indistinct] .

[Castillo] In addition to the way the opposition is describing the government's economic package, Dr. Kirio Waldo Salgado has made personal charges against you. He has even stated [words indistinct] that you have land in Costa Rica and that if he goes to jail, you and former President Cristiani will go to jail, too. Those charges have appeared in the written media, and we don't have your reaction to them.

Also, what is the reason for your visit to the Legislative Assembly?

[Calderon] Thank you, Rosy. Yes, I believe we are living in times of total freedom of expression. I believe everyone can speak out and say what he feels. I am sure you have noticed that the media has a different bearing than it had in the past. It now has a different situation, another position. This is good. This is an opening that furthers the consolidation of our democratic process.

I believe there are politicians who want to form political organizations and who want to make any kind of accusation, which I believe should be more....[pauses] I believe these kinds of accusations are made in a democracy. I don't have any assets in Costa Rica. I would like to have them. I wish I had them. [chuckles] However, I can tell [?Kirio] or anyone who makes such accusations that they are baseless and will therefore not have much of an impact on public opinion. They won't have an impact because there are no grounds for saying that I have property in Costa Rica. I can tell you that I don't have them, but I wish I did. They would be very welcome, and I wish someone would donate them to me. That, however, is not the case. Such accusations can't be serious and therefore just have to be taken in stride.

I do want to tell you that all Salvadorans can say what they feel. I am a firm believer in freedom of expression and thought. We will guarantee the Salvadorans' right to freedom of expression.

As for my reason for going to the Assembly, I am going to request permission to leave the country. I have a trip scheduled to Costa Rica on 19 January. It will go to honor an INCAE—Central American Institute of Business Administration—invitation to a forum that will be attended by the Central American presidents. It is an economic forum where we will be able to talk about Central American problems. I will also take the opportunity to talk about economic problems and the government program we want to implement in El Salvador and to promote [words indistinct]. We are going to promote this program because we are already on the path to enter the world industrial system through the globalization process, as it is called.

[Moderator] Mario Jovel of Al Dia.

[Jovel] Good morning, Mr. President. It is said that the government's economic program will include a VAT increase. I recall, however, that the government said in the past it would increase the tax base instead of the VAT. The general tax director also asserted that the tax base increase has bolstered income tax revenues to 66 million colones per month. I would like to know why there is an effort to increase the VAT now, when the tax base increase has produced such results?

[Calderon] No. Look, we are going to try to [words indistinct] the VAT. The VAT is being studied, and we have yet to see the results of that study. It has been said....[pauses] A prestigious media source reported recently that the VAT was 15 percent. We denied this because the VAT is not 15 percent. Also, a prestigious newspaper said the colon was going to be devalued. That is totally untrue. The government denied that report because it, too, was false. The VAT is not 15 percent, and the currency is not going to be devalued. We made this very clear in the past. This type of news can negatively affect the country's economy.

We have clearly stated that we have enough reserves, our currency is strong, our economy....[pauses] You have seen our economic growth and how our reserves have increased. You have seen how we have managed to reduce the deficit. We have been making an effort to broaden the tax base and collect more revenues.

[Moderator] Elmer Gomez from NOTIMEX.

[Gomez] Good morning, Mr. President. I have two short questions to ask you, sir.

[Moderator] Just one question, please.

[Gomez] The first is in regard to a coup uncovered yesterday against the Panamanian president and the other issue is whether you are aware of any mistreatment of Salvadoran workers by the Spanish and Argentine ambassadors, as was reported by PRIMERA PLANA?

[Calderon] I have none. I have no reports about that. We will look into the matter and defend our countrymen if there has been mistreatment, as you said, or any abnormal situation. We would have to investigate that, because I have heard nothing. I have received no reports about a coup attempt in Panama. I can tell you that all democratic chiefs of state agreed at the Ibero-American Summit and the Summit of the Americas to back democracy. We all believe in democracy; we believe we are the true representatives of our democratic systems; and we will stand by the president of Panama if in fact there has been some sort of threat against the democratic regime there. We hope this goes no further than an attempt. However, there is absolute commitment to back the democracies on the continent.

[Moderator] Reina Serrano from UPI.

[Serrano] Good morning Mr. President. I would like to know what course El Salvador will follow if your economic plan is approved as presented? What will your position be with regard to the Central American integration process? Will the NAFTA negotiations with Mexico maintain the same pace?

[Calderon] That is precisely what I am going to discuss during the Central American Institute of Business Administration [INCAE] conference on 19 January in Costa Rica. I have asked the institute and the Central American presidents whether we can discuss Central American integration and Central American agreements. Taking advantage of the INCAE invitation and the presence of the region's presidents, I will include this issue on the agenda. I will find time to explain the plan and discuss what you have asked about.

On the NAFTA issue, we will have to slow the negotiation pace somewhat if we are willing to work on full openness. We are discussing a gradual opening, but this has not been completely defined in the plan yet. We are currently coordinating positions with the other countries and Mexico. For the time being, we will discuss the plan's gradual implementation, which we have not fully defined yet. When we do, we will find a time and place to review what you have pointed out.

[Moderator] [Name indistinct] Eco.

[Eco reporter] Good morning Mr. President. Looking at the country's contemporary history, and perhaps pressing your memory somewhat, could you assess the performance of the National Police [PN], which ends its operations today? Could you tell us if the PN was ever affected by corruption and could you evaluate its compliance with the human rights of the Salvadoran people?

[Calderon] We believe the PN, that public security force that we saw turning its operations over to the National Civilian Police today [PNC] and fading out, was a public security force like any other. It had its ups and downs over the years. It had moments of glory and heroism, which created a feeling of security among the people. They fought crime and violence in El Salvador. They took part in the defense of our national sovereignty. For many years the National Police Force was well respected. It demonstrated grandure and dedication.

There have also been black pages in its 127 years of existence. There have been directors under which human rights violations were committed. We are not going to deny this. There have been events and times when human rights were attacked. There were times when the corps did not behave as an organization that truly defended the citizens' security. However, history will tell. It will be historians, sociologists, and political scientists who will make an in-depth, objective evaluation of the National Police, which has been totally dissolved today. Time will be its biggest judge. The National Police has also offered glorious pages to the country's history. This is indisputable. Now, the responsibility falls on the new Civilian National Police and the new Salvadorans. The entire society has to work to ensure that we have a modern, effective police corps that will further the citizens' security and will never, ever, attack or violate human rights.

[Moderator] Gerardo Lopez of LA PRENSA GRAFICA.

[Lopez] Good day, Mr. President. I understand the next Central American summit will be held in our country. I would like to know the summit's agenda. What issue will be broached at this summit?

[Calderon] We want to hold the summit in March. It is tentatively scheduled for March, and we will discuss the integration of Central America's social development. We will attempt to reach an agreement for the thorough social development of Central American society. We believe it is necessary for Central America to have a treaty on social integration just as there is one on economic integration.

We feel proud that the summit in which the well-being of Central Americans is to be discussed will be held in our country. We are going to discuss guidelines and procedures to have better health, improve well-being, and decrease the mortality rate in Central America. In sum, we will study and discuss the social problems of the entire region at this summit.

[Moderator] The last question will be posed by Susana Barrera of the "That's The Way It Is" program.

[Barrera] Good morning, Mr. President. My question is that the peace agreement is about to conclude and there are still protests over the compensation fund for the victims of the armed conflict. [word indistinct] recommendation of the Justice Commission or are other measures to be expected?

[Calderon] Look, we are fully complying with the agreements. We have had economic limitations and a number of other situations too. However, I believe there has been a total and absolute will to comply. The UN secretary general has stated this clearly. I believe the government's position is very clear and the one of the Salvadoran society is even clearer. We have been and are complying with the peace agreements. We are trying to fully comply with them as soon as possible, because El Salvador has to continue advancing. We must now think about furthering human development. We achieved peace, we have to finish the reconciliation process so that we can go on to develop our nation and create better living conditions for the Salvadoran people.

[Moderator] Thank you all. This is the end of the conference.

Labor Sector Criticizes Government Economic Plan

PA1601040995 San Salvador Radio Cadena YSU in Spanish 1230 GMT 12 Jan 95

[Report by Eric Lombardo Lemus; from the "YSU Radio News" newscast]

[FBIS Translated Text] The labor sector, represented by FEASIES [Independent Labor Unions Federation of El Salvador], and leftist leader Ruben Zamora criticized Armando Calderon Sol's economic plan on Wednesday. The government's economic program consists of four main points: lower tariffs, higher value added tax, fixed colon/dollar exchange rate, and modernization of the public sector by expanding privatization. Zamora said that the present government's intention to turn the country into a large free zone is not feasible because El Salvador is surviving through family remittances from the United States and because El Salvador is not up for sale to the highest bidder.

[Begin Zamora recording] We favor industrial reconversion and modernization of agriculture in El Salvador. In El Salvador, credit works in favor of productive, not of speculative, sectors. If education is put at the service of national production instead of other things, the country will start to produce, there will be more jobs, and the country can be developed. This does not mean that there should not be free zones. No one opposes free zones by themselves in the country. What we cannot accept is the idea of turning the whole country into one large free zone, thus putting the entire country up for sale. Neither El Salvador nor its people are for sale. [end recording]

The labor sector and Zamora, who is also the Democratic Convergence leader, think the country cannot be developed by neutralizing agriculture and industry but that El Salvador can produce on a large-scale basis only after the obsolete technology is updated and true industrial reconversion takes place. Zamora said that to put up for sale the Salvadoran work force strikes at the country's dignity and agricultural and industrial nature.

[Begin Zamora recording] The government's proposal is an attack against everyone of us as citizens because, if agriculture and the national industry disappear and we become a single free zone, as Calderon Sol proposes, the country as such will disappear. What will be our roles as citizens? The situation would be similar to that of Africa in the recent past, where whites arrived only to enslave blacks and the latter sold their work force. This does not make a nation. This afternoon, we witnessed the seriousness of the situation. Consequently, there is a need for a broad national debate. This is so serious that it should not be imposed on the Salvadoran people. [end recording]

Defense Minister on Border Patrol, Need for Demarcation

PA1601035795 San Salvador Radio Cadena YSU in Spanish 2200 GMT 12 Jan 95

[Report by Ernesto Landos; from the "YSU Radio News" newscast]

[FBIS Translated Text] Salvadoran Defense Minister General Humberto Corado asserted this Thursday that Salvadoran soldiers will continue to patrol the El Salvador-Honduras border to prevent incidents such as the recent one in which a Honduran officer killed a Salvadoran citizen. The defense minister said it is necessary to continue the demarcation work at the border to prevent incidents that could lead to some type of confrontation.

[Begin recording] [Corado] Our border protection personnel are in the area. They are guarding the country's interests and doing their duty. [words indistinct] incidents that could mar the current excellent relations between the Armed Forces of our two countries.

[Reporter] [question indistinct]

[Corado] Yes, that is undoubtably true but I believe it was an isolated incident. I am sure both countries will do all they can to prevent such incidents from occurring in the future. Also, the foreign ministries have to [words indistinct] demarcation and attend to the legal issues [words indistinct].

[Reporter] [question indistinct]

[Corado] First, we will instruct our soldiers to be very careful not to spark any incidents. Despite the provocation that could arise on one or the other side, we have taken the necessary measures to ensure that they do not occur. Also, upper echelons will effectively supervise each one of the units assigned to the area so that the work carried out by the soldiers in the area is more controlled. [end recording]

Gen. Corado also said it is necessary to extend the deadline for the collection of weapons that can only be used by the Armed Forces. The deadline ends 8 February, and there is still a great amount of war materiel in civilian hands.

[Begin Corado recording] I believe we have to establish a new deadline because 8 February is really just around the corner and we still have not completed the weapon collection process. However, the issue has to be discussed, and only the National Assembly is authorized to extend such deadlines. Thus, we are going to thoroughly study the situation with the corresponding authorities soon to see if we can extend the deadline to allow people to comply with their obligation. We have collected more than 15,000 weapons—approximately 15,500—up to now. This is really a small amount compared to the approximately 300,000 to 400,000 estimated to be circulating in the country currently.

I believe it is important that honest citizens comply to avoid problems with the Civilian National Police. This organization will now supervise the compliance with the peace agreements. As is known, we have established offices in several parts of country to help people in this task. We know the procedure is very difficult because it requires that people present certain documents, such as licenses, that are not easy to get. However, it is the only way to ensure Salvadorans that the people who have weapons are honest and will only use them in self defense. [end recording]

Regarding the Armed Forces' debt to the National Telecommunications Administration, ANTEL, the defense minister said 20 percent of this debt had already been paid.

Defense Minister Urges Armed Forces Modernization

PA1801204595 San Salvador DIARIO LATINO in Spanish 16 Jan 95 p 6

[FBIS Translated Text] Defense Minister Humberto Corado today said the Armed Forces should be modernized before the 21st century, and he reported that the number of recovered Armed Forces weapons is "small."

The "Arce 2000 Modernization Plan" that will be implemented by the Armed Forces includes the modernization of regulations, changes in the education system, a rapprochement with civilian society, and improved self-financing capabilities. According to Corado, this is being done in order that the "Armed Forces budget does not represent a burden on the state."

Commenting on the recovery of Armed Forces weapons, he said that so far 2,000 weapons have been recovered, while many weapons remain in the hands of civilians. The general said he does not know how many weapons are in the hands of civilians.

Corado urged people holding Armed Forces weapons to turn them in, and he asked those who have personal weapons for self-protection to register them. There are 16,000 registered weapons and as many permits. Corado said the authorities are still finding small arms caches. Meanwhile, most businessmen have already turned over the Armed Forces weapons they had been using to protect their businesses, Corado said.

Commenting on rearmament threats from demobilized groups trying to force compliance with indemnification commitments, the general said these people "cannot succeed and have no reason for doing this."

Corado made these statements after taking part in ceremonies to commemorate the third anniversary of the signing of the peace agreements.

Nicaragua

Lacayo: 60 Percent of Property Problems Solved

PA1601040495 Managua Radio Nicaragua Network in Spanish 1200 GMT 13 Jan 95

[From the "News 2000" newscast]

[FBIS Translated Text] Presidency Minister Antonio Lacayo and UN Representative to Nicaragua Francisco Vincenti yesterday signed an important agreement whereby the United Nations would provide Nicaragua with approximately $5 million to speed up the solution of property ownership problems.

Lacayo said that 60 percent of these problems were solved last year and that he expects the remaining 40 percent to be solved this year. For this, he said it is necessary to obtain a consensus between the executive and the legislative so that a proposal can be passed into law, taking into consideration the progress achieved by the government so far and Laws 85, 86, and 88. The new law should give strength to administrative mechanisms to which the government has given impetus, Lacayo said.

In addition, after the agreement was signed, Vincenti made known the result of a governability poll conducted in November. Two-thirds of those polled think it is possible to solve property ownership problems, a solution that would make it more possible for the country to correct the serious economic crisis.

Chamorro Addresses National Assembly

PA1401000695 Managua Radio Nicaragua Network in Spanish 1636 GMT 10 Jan 95

[Annual report by President Violeta Barrios de Chamorro to the National Assembly at the opening of the 11th Legislature at the Legislative Palace in Managua—live]

[FBIS Translated Text] Mr. President, members of the Board of Directors and representatives of the National Assembly, members of the branches of government, cabinet members, members of the diplomatic corps, special guests, members of the domestic and foreign press, dear friends:

As 1995 begins, I thank God for having completed the first four years of my government, during which we have devoted our efforts to establishing order and overcoming great difficulties. This challenge required a new style of government totally different from the governments of the past. We have worked on the basis of dialogue, citizen participation, and concerted efforts to learn and coexist together and initiate an irreversible democratic process for Nicaragua's reconstruction.

All Nicaraguans should feel proud of what we have done together, as well as what we are capable of doing when we work united. The year that has just ended left a positive balance for the history of our country. We managed to strengthen peace, guarantee civil liberties throughout the country, and initiate economic growth, which is fundamental for sustained development. The disarmament of the last rearmed group in April 1994 marked the last phase in the peace process we began in 1990.

Today, 10 January, in this chamber, I once again recognize all the men and women who disarmed once and for all on behalf of peace and national reconciliation.

A year ago before this distinguished assembly, I said we expected the economy to grow 4 percent during 1994. I am happy to announce that despite the negative effects of the drought on the agricultural sector and on the electricity supply, we managed a growth in national production of 3.2 percent, the highest rate of the past 10 years, thanks to the consistent efforts of our noble people. [applause]

A very important part of this growth was reflected in an increase in our exports, which rose from $267 million to $343 million basically on the strength of coffee exports, as well as meat, fish, sugar, and nontraditional products.

One year ago, I said we would grant property titles to 9,000 heads of peasant families. Today I can inform you that we have fulfilled that promise. We delivered titles to 9,392 families throughout the country, favoring peasant women who bear most of the responsibility for their homes.

I said we would review 4,200 cases of homes acquired through Law 85. We processed the 4,200 cases thereby closing the administrative review of all cases involving Law 85.

I also said we, through the Office of Territorial Organization, would issue 35,000 new debt cancellation documents to the legitimate beneficiaries of Law 86. We have fulfilled this promise. We issued 46,200 such documents.

This year, God willing, we will complete our urban organization efforts.

A year ago I said we would continue to issue bonds to compensate, as best we could, those from whom the Sandinist government confiscated property unjustly. Today I can report that in 1994 we issued 973 million cordobas worth of bonds. We achieved, with the participation of the honorable deputies of the National Assembly, unprecedented consensus among the Assembly, the Bondholders Association, and my government. This consensus, which led to the promulgation of Law 180, increased the value of the bonds.

I said that we would increase the volume of credit in the economy by 31 percent. Today I report that we have met this goal. Disbursements from the financial system increased 30 percent with the participation of private banks, which managed more than half the deposits and grant more than half the credits in our country.

I also said we would increase credit for small businessmen in the countryside and the cities. To comply with this commitment, my government obtained a loan from the Inter-American Development Bank [IDB], exclusively for small producers, for $165 million cordobas. We began to distribute these funds through private and state-run banks.

A year ago I said that the public investment program would grow 40 percent in an effort to rehabilitate the economic and social infrastructure and to create jobs. In 1994, the public investment program increased 38 percent. This means that we virtually achieved our goal.

I also said we would support agricultural production through various programs to maintain and repair roads. As part of the coffee plan, we repaired 1,070 km to support the harvest of this product. We also repaired 619 km of rural roads and 90 km of highway. We made important investments in the Ports of Corinto, Bluefields, and El Rama to promote our exports. We also improved the airports in Bluefields, Puerto Cabezas, and Corn Island to support the economy and progress on the Atlantic coast.

Messrs. representatives: I have always thought that it is completely useless to improve the economy if this does not lead to improving the well-being of each Nicaraguan and his family. Economic and social development must go hand-in-hand.

In the health sector we promoted the consolidation of the National Health Council and the establishment of community leadership boards in our hospitals to involve civilians in the search for better solutions and greater efficiency in our services.

We significantly improved the preventive health programs, mother-infant vaccinations, and medical services for insured workers. With great satisfaction I have been able to declare Nicaragua a polio-free country in 1994.

In education, school registration increased to 1.146 million students, more than expected. We made progress in transforming teacher study and training programs. More than half of the secondary schools were already integrated into the administrative autonomy program. We worked to supply schools with textbooks and desks. We continued to provide milk for nearly 500,000 children. We started a new program to distribute nourishing cookies to children in the early grades. I am very pleased with this investment to improve the nutrition of these small children, who are the future of Nicaragua.

We continued, through the Emergency Investment Fund, FIE, to work in the rehabilitation of the social infrastructure and to create jobs through development work in the country's municipalities. We carried out 1,078 projects, which exceeded our goal of 1,000. In the process, we employed 40,000 people, mostly in rural areas. Through the community work program we employed 176,000 people during the year. As part of the basic grains program, we rehabilitated 67,000 manzanas and benefited 50,000 families in the poorest sectors.

In addition, the Food for Work Program has helped 60,000 families in areas affected by the drought and on the Atlantic coast.

In the same vein, I must stress two major issues. Last year, as part of our task to obtain financial resources to support sustainable economic growth, we signed the extended facility arrangement with the IMF, which was discussed and examined by different national sectors, as well as economic cooperation agreements with the World Bank, the IDB, the Central American Bank of Economic Integration and other international organizations. These agreements and the resolute cooperation of donor countries constitute the best proof of national and international recognition of the serious effort undertaken by each and every Nicaraguan to promote Nicaragua's economic and social growth.

I want to reiterate my gratitude to the international community for its committed support to Nicaragua. Our mission would not have been possible without its resolute and unselfish cooperation. [applause] One of the main pillars of this effort is the reform of the state. This reform seeks to create a modern, small, more efficient and low-cost public sector capable of providing high-quality services through more effective assignment and transparent use of resources. The gist of the reform program for the public sector is the organization of 15 ministries and five autonomous institutions and public companies. We have already begun this program in the Health and Education Ministries.

I also want to emphasize the approval of the new military law and the transfer of the military command within the framework of this law. On 21 September, I appointed the new head of the Army. This event was unprecedented in Nicaragua's history and helps consolidate our democratic institutions and the professionalization of our armed forces. [applause]

Dear Nicaraguans: Today we begin a new year in our country's political history, a year that is going to be good for all Nicaraguans. We begin a year with brighter economic conditions: producing good harvests of grains, sugarcane, and less traditional products. This year, our exports could reach $500 million—the highest rate since 1980. We are entering a year of coffee bonanza. Our fellow citizens in northern Nicaragua—so hard hit by the war and so eager to improve their situation—begin this year their path toward progress. For the first time since the 1970's, we begin a year without armed or rearmed groups in the mountains of our country. This is already enabling our farmers to work with the confidence that the fruit of their labor will benefit their families.

We begin a year in which renowned companies will come to invest in Nicaragua in areas like cement production; generation of thermal and geothermal energy; manufacture of garments in the duty-free zones; exploitation of precious minerals, among others; and installation of modern and low-cost telephone services.

These large enterprises will bring new technology, will produce goods and services of excellent quality, and will contribute to improving Nicaragua's image in the world.

We are beginning a year of great promise for small- and medium-sized producers. The state banks will begin a second phase of modernization and reform. Now that the private banks have surpassed the state banks, the latter will concentrate energy and resources on small- and medium-sized producers. Large producers will receive the attention they deserve from any of the nine private banks already operating in Nicaragua. The state banks have adopted new measures to ensure that credit of more than 250,000 cordobas requiring renegotiation or extension of terms be authorized upon payment of overdue interest and a payment of 10 percent of the main amount owed. Small- and medium-sized producers will receive more favorable treatment, as more flexibility will be exercised when renegotiating credits below that level.

I believe in small- and medium-sized producers. [applause] In order to strengthen the government's support of small- and medium-sized producers in the country's rural areas, I have created a National Rural Development Program [Programa Nacional de Desarrollo Rural] which will support the construction of rural roads, irrigation systems, dams, and other development projects.

The support group for our country—Canada, the Netherlands, Spain, Mexico, Sweden, and the UN Development Program—and other countries and friendly organizations have agreed to offer us their firm support to remove two of the main obstacles to improving the climate for investment in our country. I am referring to the subjects of property and foreign debt.

We are beginning a year with the firm determination of finally expediting the process of resolving the problem of properties confiscated during the Sandinist government; returning the few that are still under state control; compensating for property which cannot be returned; and giving titles for urban lots, houses, and farms to the legitimate beneficiaries of the laws that reformed land ownership.

This morning I appointed a new deputy finance minister, who will exclusively dedicate his attention to ensuring the best coordination of government efforts to finally resolve this painful problem which I inherited from the previous government.

We are beginning the year with a very aggressive plan and firm international support to free our economy from the heavy foreign debt burden we inherited from previous governments. It is true that we have been paying our debts with support from friendly countries. This, however, is not the solution to our problems. The solution is reducing the debt to a realistic level through a determined effort. For this reason, my government presented to the international community an ambitious, bold, and realistic plan for our foreign debt problem. This new strategy consists of reducing the principal sum owed by more than $8 million. I trust this effort will be supported by the international community. What today seems like a dream, God willing, tomorrow will become a reality. Although I inherited a mortgaged country, I hope we can have an economically viable republic before my administration ends. [applause]

We are beginning the year with another aggressive plan of public investment. We plan to invest 2 billion cordobas, which is 25 percent more than last year. This will enable us to continue and expand support for the manufacturing sector and social projects. I am referring to the installation of power plants, new roads, highways, and houses for mid-income families, among other things.

We also began the reconstruction of downtown Managua with the demolition of the (Huina) buildings. We will promote private investment along with public investment in this joint project. We will also initiate efforts to save Lake Managua, which will enable us to revive and clean its banks for the benefit of our people.

All of the progress that began last year and will continue with more intensity in 1995 will not be limited to economic issues. More importantly, we will accelerate social development. This year, through a program that my government created to support the poorest families in our country, we will carry out 1,270 projects in 143 municipalities. We will invest 247 million cordobas in institutes, schools, desks, health centers, potable water and sewer projects, and public markets. We will provide potable water, indispensable for health and life, to 250,000 Nicaraguans, mainly peasant families, through 400 projects in rural areas, and city neighborhoods.

In the health field, we will continue increasing and improving services to further reduce the mortality rate among women and children through a special directorate that will reorganize the overall attention to those two groups—women and children—to whom my government has given priority and will guarantee the supply of basic medicines. In the next few days, we will begin radiation services for the treatment of cervic-uterine cancer.

In view of the success that school autonomy has had in increasing teachers salaries an average of 56 percent, as well as in reducing the number of dropouts and improving academic levels, I have instructed the education minister to apply this policy to all secondary schools in the country. We will particularly strengthen the training of elementary school and preschool teachers. We will also create parent councils in all schools throughout the country, in order that they, too, can participate in school programs.

My government believes in community work and in citizen participation in public affairs. For this reason, we promote these forms of participation and democracy. This morning I signed a decree creating the Nicaraguan Fund for Children and Family [Fondo Nicaraguense de la Ninez y la Familia], which, along with its board of directors and citizen participation, and will handle programs in support of children and families in general.

The Nicaraguan Social Security Institute will be exclusively tasked to support its affiliates and families in all the areas covered by social security. The National Lottery will operate under a board of directors with no government participation, which will strengthen its capacity to create funds for the children and family program.

Representatives and dear friends, today we begin a new year, which should be good for all Nicaraguans. In order that it can be good for all, we must make sure we are all united around the same national interests. [applause] For this reason, I request the support of this distinguished assembly to enable my government to guarantee the security of citizens throughout the country and to create the necessary legal support to prevent criminals from evading punishment through loopholes found in some laws.

I request the support of this distinguished assembly, particularly of its new Board of Directors, on order that in accordance with their constitutional duty, they elect the remaining Supreme Court justice who should have been elected last May, when I complied with my constitutional duty by submitting to the National Assembly a list of candidates for its consideration. Further delaying this appointment will continue to prevent the Supreme Court from being complete.

I also ask this distinguished assembly for support through its prompt approval of the two bills I sent several months ago, because they will allow us to initiate the opening of the telecommunications sector to private investment. The privatization of Telcor [Nicaraguan Telecommunications and Postal Services Institute] will provide us with better telephone service and enable us to obtain a $57 million disbursement from the World Bank and IMF, which we urgently need to start the year effectively and ensure the agricultural cycle. In addition, Telcor's privatization is a prerequisite for success at the next Paris Club meeting which is to be held in February.

I ask this distinguished assembly for its support in by approving the bill for the partial privatization of the Momotombo geothermal project as soon as it is received. This bill will ensure the resources to recover 30 megawatts that are currently unused because we require more steam producing wells to be able to guarantee the electricity supply.

The partial privatization of Telcor and the Momotombo project will allow us to make substantial headway in two of the highest priorities that my government has set for 1995. These priorities are resolving the property problem and reducing bilateral debt. I also ask this distinguished assembly to support my partial veto of the general budget laws. State workers deserve income security—teachers, health workers, and police who safeguard public order and carry out noble tasks. That is why I prefer that the increases come in the form of wages and not bonuses. Bonuses do not offer stability or help the worker to increase future pensions.

The economic policies that we have been pursuing since 1990 are beginning to bear fruit. Now we need to be careful how we handle this. We want to avoid the difficult consequences people suffer when a currency is devalued significantly and when inflation gets out of hand. For this reason I will establish the National Council of Sustainable Development [Consejo Nacional de Desarollo Sostenible] with the active participation of the main actors in the national economy. There we shall agree on the way to ensure that the development we already began in 1994, on which we will improve this year, is enhanced with a national development strategy which reflects a consensus on Nicaragua's future. This project can only be resolved through consensus. [applause] Obviously the country has learned its lesson from the past. Both my administration and a great majority are intent on building a stable consensus in search of great national goals, to consolidate democracy, and achieve sustainable economic growth with social justice. This is our great challenge.

Last, I wish to take advantage of this solemn occasion to reiterate my support for constitutional reform which only benefits our country and is based solely on national interest. [Applause] As head of state, as president, and as a citizen committed to the country's future, I invite this distinguished assembly to join me in establishing a political constitution that reflects the new era of democratic transformation in our country.

With the exceptional support we have so often requested from the international community, Nicaragua deserves a political constitution that is good for everyone. Our people expect us to respond patriotically to the confidence bestowed on us through the ballot boxes. Nicaragua expects a political constitution that unites the nation and that puts the branches of government in agreement. Nicaragua belongs to everyone. We want to leave our children a society that is more prosperous, fairer, and more humane.

This is the great task that all Nicaraguans have to accomplish together. God bless Nicaragua. [Applause]

FSLN Dissidents Take Action To Form Party

PA1701011195 Hamburg DPA in Spanish 0113 GMT 16 Jan 95

[FBIS Translated Text] Managua, 15 Jan (DPA)—The dissident sector of the Sandinist National Liberation Front's (FSLN) orthodox wing started today to form internal structures at a departmental level. Such actions will allow it to form a new Sandinist party to be headed by former Nicaraguan Vice President Sergio Ramirez.

Sandinist sources confirmed to DPA that the reformist sector, which is identified as the Sandinist Renewal Movement (MRS) and is headed by writer Ramirez, established its first departmental office in the city of Leon, 90 km west of Managua, today. The MRS had previously organized groups in the city's municipalities.

Leon Mayor Luis Felipe Perez was elected departmental president of the reformist FSLN sector at the MRS assembly. Perez stated when he assumed the position that the Nicaraguans have been awaiting a renovated Sandinism for the November 1996 general elections.

While the FSLN dissidents held their departmental assembly in that city, the orthodox Sandinist sector held a meeting a few meters away. However, the latter did not manage to gather the 130 members of the Sandinist Western Department Assembly and only a mere 30 members appeared at the meeting.

Sergio Ramirez, leader of the reformist sector, said in Leon that the MRS can not continue to waste its time in discussions on Sandinist unity. He also called departmental leaders to boost the organization and get ready for the 1996 elections.

The Sandinist renovators announced that tomorrow, Monday, they will form another departmental board in the city of Granada, 48 km southeast of Managua, and next Sunday, 22 January, they will install a board in the city of Masaya, 26 km from the capital city.

Political sources have reported that the dissidents of the Sandinist orthodox sector have started to organize groups in Nicaragua's 143 municipalities.

There are 26 political parties in Nicaragua. The number of parties participating in the next elections will increase if the dissident Sandinist sector forms a new political organization.

Sandinist sources have announced that FSLN members who occupy positions in the party's top organization, the Sandinist Assembly, will soon resign en masse. The resignations will be made public in Managua on 21 February, which marks the first year of the MRS actions at the national level.

Panama

Source Accuses 2 of Directing Assassination Attempt

PA1901004295 Panama City LA PRENSA in Spanish 18 Jan 95 p 1

[Report by Jose Otero]

[FBIS Translated Text] According to a source close to the investigations, Major Juan Marriaga and Chiriqui Province businessman Gabriel Alexis Aparicio seem to be the chieftains of the foiled coup attempt aimed at assassinating President Ernesto Perez Balladares.

The source, who has asked to remain anonymous, has said there is overwhelming evidence pointing at Marriaga and Aparicio as the individuals who had been devising the plot since September 1994. The investigations also have indicated the conspirators plotted to assassinate President Perez Balladares by using a number of explosives and placing snipers in the area where the Boquete Fair was to be opened on 13 January.

The plot, aimed at murdering the current head of state, was thwarted once state security bodies were able to infiltrate, through espionage, special agents into the plotters' scheme, the source added.

Major Marriaga is under investigation, is under the disposal of the National Police, and is confined to La Joya Prison. He is an agricultural engineer and was a member of the defunct National Guard and the Defense Forces.

According to the investigations, Marriaga worked as an administrative officer at the Peace Battalion and was in charge of the Cocle Province Police Zone before the 1989 invasion.

The sources have said Marriaga's house was used as an operations center where the plot against President Perez Balladares was hatched. A large amount of documents, including maps of the tour the president was to conduct on the day the plot was to be executed, was seized following Marriaga's arrest.

In addition, it was proven that Aparicio was able to return and leave the country on several occasions during November and December and that he did so across the Costa Rican-Panamanian border without encountering any problem whatsoever. He has been living in Costa Rica since 1989, following the military invasion which toppled Manuel Noriega.

The Chiriqui businessman is also linked to the November 1993 murder attempt against former President Guillermo Endara in Boquete. Aparacio denied these accusations last week and said he was willing to return to the country to explain.

The informer has said the plot had been in planning since early September 1994. The chieftains later recruited National Police agents in order to post them in strategic locations and civilians who would facilitate the execution of the plot.

Some 13 National Policemen are being thoroughly questioned at La Joya Prison, while 14 others were questioned at other police locations.

Meanwhile, President Perez Balladares has told LA PRENSA that recommendations on changes that must take place within the National Police will be made when the administrative investigations are concluded. "We will make changes within the National Police if necessary, and this possibility includes a likely internal purging," the president has said, adding he is willing to take the necessary steps to make the Public Force a professional body.

In the meantime, Attorney General Jose Antonio Sossa said yesterday that the legal rights of the suspects of this plot will be respected and that official arrest warrants will not be issued until convincing evidence, which the Investigation Commission will supply, is gathered.

Special Prosecutor Rogelio Arosemena began conducting an official investigation into the case on 13 January.

Argentina

Labor Leader Warns About NAFTA, U.S. 'Hegemony'

PY1701125195 Madrid EFE in Spanish 2013 GMT 15 Jan 95

[FBIS Translated Text] Santiago, 15 Jan (EFE) — Argentine union leader Emilio Maspero today warned that the NAFTA "has the objective of recomposing the economic interests of the United States at the cost of Latin American countries."

Invited to the Chilean capital, Maspero, who is the head of the Latin American Workers Federation (CLAT) and vice president of the World Confederation of Workers (CMT), stressed that the region "must remain safe from the hegemony" of the United States.

Maspero, who has Christian ideals, is visiting Santiago in order to participate in the ceremonies commemorating the 13th anniversary of the death of President Eduardo Frei Montalva (1964-70), which include an analysis of the topic of social justice.

In a news conference that he gave today, Maspero said that it would be dangerous for Latin America to "entrap" itself by signing trade treaties only with Washington.

Referring to the times that humanity is currently experiencing, he said that there is a "dehumanization in the social sector," and he termed current society as "cruel."

Interior Minister Rules Out Possibility of Social Outbreak

PY1701181795 Buenos Aires TELAM in Spanish 1316 GMT 16 Jan 95

[FBIS Translated Text] Buenos Aires, 16 Jan (TELAM)- —Interior Minister Carlos Corach emphatically ruled out today the possibility of a social outbreak prompted by the 12.2 percent unemployment rate reported in our country.

"There is a level of unemployment" that President Carlos Menem "has ordered reduced by use of all available means," the interior minister emphasized.

"Nevertheless, there are no conditions whatsoever" for a social outbreak, Corach pointed out to Radio 990.

The interior minister dismissed a report published by a Buenos Aires morning newspaper today. According to this report, there could be a possibility of a social outbreak due to the level of unemployment.

Corach criticized trade union leader Carlos "Dog" Santillan, who emphasized that unemployment represents "a growing reality throughout the Argentine northwest," as "there is no reactivation of the regional and provincial economies."

Corach stressed: "I believe (Santillan) is an agent provocateur who does not show a significant degree of responsibility toward the society."

Bank President Urges Caution on Market Floor

PY1601181295 Buenos Aires TELAM in Spanish 1454 GMT 16 Jan 95

[FBIS Translated Text] Buenos Aires, 16 Jan (TELAM-SEM) —Hector Fernandez Saavedra, president of the Stocks and Bonds Bank, today counseled stock market investors to have prudence until it has been verified that the turbulence at the beginning of the new year is over.

"There still may be some indications of a storm because rebounds (in the quotations) could just be technical ones; therefore, calm must be maintained and prudence must be used," Fernandez said to Radio Mitre of this capital.

This note of caution notwithstanding, the expert forecast a calm day due to the holiday in the United States—Martin Luther King Day—which means very limited action in the financial sector, and due to the absence of references on the bonds of Latin America's foreign debt.

Fernandez said that "after the good news of the help that the U.S. Government gave to Mexico, we must await and observe the expectations of U.S. investors, which are what triggered the crisis."

Regarding Argentina, he indicated that the government "made the dollarization much easier, and that generated confidence"; therefore, he believes that "the storm can in no way end up in a devaluation."

He also was of the opinion that Argentina ought to be differentiated from Mexico "because although the (economic) plans of the two countries have the same type of basis, they are different in design, implementation, and results."

Fernandez lauded the opposition, stressing that it was prudent and that "it rose to meet the circumstances."

Defense Minister Rejects Possibility of Military Wage Hike

PY1801020095 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1804 GMT 17 Jan 95

[FBIS Translated Text] Buenos Aires, 17 Jan (NA)—Defense Minister Oscar Camilion today again dismissed the possibility of the government implementing a salary increase for the military sector in the near future.

In remarks to a radio station this morning, Camilion emphasized: "At this moment, we are not considering the possibility of any increase."

Camilion added: "As long as this international crisis remains as it is, I believe that stability represents the only possible response by the state."

Camilion emphasized, however, that "there are some points of the military salaries issue that we want to consider." He made it clear, though, that "this issue will not be considered at this moment."

Camilion also discussed the 1 billion peso cutback in spending that will have to be implemented by all the national government sectors.

The defense minister explained that this cutback represents for his portfolio "a very great effort," as it forced him "to eliminate items that we considered essential."

The defense minister noted that "when there is an international crisis such as the current one, there is no other alternative but to cut back on essential items."

The Defense Ministry will have to implement a budget cut of at least 14 percent, a cut that will effect various Defense Ministry areas.

In this regard, the minister refused to answer what areas will be most effected. He pointed out: "In due time we will talk about the details."

Nevertheless, Camilion guaranteed that the 1.5 billion pesos for retired military personnel will not be touched.

Camilion indicated: "Within the Defense Ministry budget, 1.4 billion pesos have been appropriated for pensions and retirements, almost 1.5 billion pesos for the Armed Forces and the security forces, which obviously cannot be touched."

Camilion ultimately expressed his hope that "the Argentine economy will recover, so that we again will be able to spend money on what we will now not be able to do."

UCR Candidate Rules Out New Agreement With Ruling Party

PY1701223995 Buenos Aires TELAM in Spanish 2201 GMT 14 Jan 95

[FBIS Translated Text] Mar del Plata, 14 Jan (TELAM)—On 14 January, UCR [Radical Civic Union] presidential candidate Horacio Massaccessi ruled out the possibility of reaching a second Olivos Pact with the Justicialist Party, and asserted that according to public opinion polls, the UCR is growing in popularity whereas that of the Front for a Country in Solidarity [Frepaso] is declining.

During a news conference held in this city, Massaccessi said: "There is no possibility of establishing a coalition, as the current policies of the UCR and the ruling party policy have no common ground."

Massaccessi, who is on the stump, arrived in Mar del Plata on 14 January after attending a rodeo and folklore festival in Jesus Maria, a town in Cordoba Province.

Massaccessi said there that the bill sponsored by the Menem administration to render labor laws more flexible will not solve unemployment.

The UCR presidential candidate stated that "we need investments and more openings, rather than laws," and—alluding to Frepaso—made it clear that "if there is a runoff we will naturally work out an alliance with the people, rather than with party leaders."

With regard to the public opinion surveys he has at his disposal, Massaccessi claimed that they show that "the UCR is gaining, Frepaso is on the downward path, and President (Carlos) Menem's candidacy is lying stagnant."

The Rio Negro Province governor asserted that Frepaso presidential candidate Carlos Chacho Alvarez "dreams of a new pact, so that he can win more votes." He recalled that he had suggested that Alvarez "take a photograph of 10 April [the date on which the Olivos Pact was signed] because it will not occur again."

Massaccessi also commented that "the most important thing" Carlos Ruckauf did in the discharge of his duties as interior minister "was to search high and low for Boca Juniors soccer hooligans."

He called upon voters "to leave aside money considerations in casting their votes, as they will not be able to live on the blender, the television set, or the car tire they are paying for by monthly installments."

Massaccessi pointed out that "unemployment is hitting one in five families in Argentina."

South Atlantic Oil Exploration 'Battle' Examined

PY1301222295 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1712 GMT 13 Jan 95

["Special" article for NOTICIAS ARGENTINAS by Jose Maria Monzon]

[FBIS Translated Text] Buenos Aires, 13 Jan (NA)—The oil battle in the South Atlantic might become a key issue for Argentine foreign policy in the short term, if the Kelpers carry out their threat to unilaterally call bids for the exploration and exploitation of oil around the Malvinas Islands.

Rather than economic interest, the government attaches considerable political interest to this issue, as it involves preventing the British from taking measures that weaken Argentine claims of sovereignty and making them accept joint activities in an area under dispute.

A unilateral decision of this kind would also represent a serious blow for the strategy devised by Foreign Minister Guido Di Tella. This strategy relies on "seducing" the Kelpers as a way of advancing our country's goal of securing the islands.

So far the "kind gestures" policy has had negligible impact on the Argentine aspirations of achieving an agreement on the fishing issue. A failure in the oil issue would represent something like a coup de grace for the ideas that have so far been inspiring the Foreign Ministry's high-ranking officials.

The escalation of the oil conflict goes back to late October 1994, when the Malvinas Legislative Council approved a law regulating oil exploration and exploitation around the islands, even though an international call for bids was postponed until March 1995.

In October 1994 Foreign Minister Di Tella began a round of unsuccessful negotiations with government officials in London, aware of the fact that the mechanisms regulating the relationship between the United Kingdom and its Malvinas colony stipulate that the implementation of a Kelper law requires the signature of Foreign Minister Douglas Hurd.

Within this framework, the government failed in its attempt to achieve a juridical-administrative superstructure that would allow a private agreement between YPF [Government Oil Deposits] and British Petroleum to jointly explore the Malvinas oil reserves. The British estimate these reserves at 3 billion metric tons, a higher volume than that of their strategic North Sea reserves.

As expected, Argentine aspirations were blocked by the Kelpers who, by lobbying in London, managed to force the Foreign Office to issue a negative recommendation to British Petroleum.

Therefore the law approved by the Malvinas Legislative Council, which specifically eliminates any possibility that Argentine citizens could tread on the islands, remains in effect, although without Hurd's ratification.

Nevertheless, the law stipulates that Argentine companies will be entitled to own up to 49 percent of the companies to be established. The law also allows ships and platforms to use Argentine ports as their base of operations.

These measures have been rejected by the Argentine Government, as they actually involve recognizing the sovereignty that London claims over the islands, and that the oil royalties will specifically go into the Kelpers' coffers.

As is known, the Kelpers are not willing to share this income, because they understand that it represents another source of financing of their own that might be added to the income they already receive for the sale of fishing licenses.

Government Rejects Approach by Libyan Leader

PY1301220495 Buenos Aires CLARIN in Spanish 13 Jan 95 p 19

[Article by Pablo Calvo]

[FBIS Translated Text] Foreign Ministry sources revealed on 12 January that Libyan President Mu'ammar al-Qadhdhafi will not be able to count on the support of the Argentine Government to obtain the lifting of the blockade imposed by the United Nations against his country in 1992.

During a private audience the night of 10 January at the Olivos Residence, the Libyan leader, through emissary Mohamed Ali Shambur [name as published] addressed President Carlos Menem with a request for help in ending his country's international isolation.

Shambur was received officially by second-rank officials of the Foreign Ministry, which presaged a negative outcome for his mission.

San Martin Palace spokespersons said that "no arrangements have been scheduled in this respect, although we do note with satisfaction that President Menem is seen as a valid interlocutor."

The Libyan president sent two notes. One of them offered trade opportunities to Argentina, and the other asked Menem for mediation with the international community to try and unfreeze the punishment against Libya.

The approach occurs at a time when Argentina holds the presidency of the UN Security Council, which on 31 March 1992 decreed a blockade against Libya due to its resistance in granting the extradition of the alleged perpetrators of the attacks against Western planes. The attack against Pan Am Flight No. 103 over the Scottish city of Lockerbie in 1988, which cost 270 lives, was the straw that broke the camel's back.

The Libyan president, in power for 25 years, has been identified by the United States as the instigator of a long list of attacks. In 1986, then U.S. President Ronald Reagan ordered the bombing of the Tripoli garrisons, where the president lived, but he was able to survive.

In his note to Menem the Libyan leader states that "Libya is suffering the same problems as Cuba, which is also suffocating due to international pressure."

There was a rumor in 1989 indicating that the Libyan president had contributed funds to Menem's election campaign.

Placing the Libyan leader at a distance currently has an additional motive: The Libyan is an enemy of the Middle East peace process. This detail, and the two anti-Jewish attacks in Buenos Aires, made for an impossible mixture for the government.

Bolivia

Simon Sejas Installed as New Antinarcotics Commander

PY1301143495 La Paz Radio Cadena Nacional Network in Spanish 1100 GMT 13 Jan 95

[FBIS Translated Text] The Special Antinarcotics Force [FELCN] has a new commander. He is Army General

Simon Sejas Tordoya, who was designated to replace General Renato Lopez Leyton.

The new antidrug commander was installed yesterday in a ceremony held at the Government Ministry. Present at the ceremony were members of the Armed Forces command and of the National Police.

In his speech, Government Minister Carlos Sanchez Berzain wished Gen. Sejas success, but he also asked him to base his actions on respect for the current laws:

[Begin Sanchez Berzain recording] The new FELCN commander is General Simon Sejas Tordoya, former Army commander, former commander in chief of the Armed Forces, former Bolivian ambassador to Israel, a public servant, and a patriot to whom I wish great success in this difficult task he is undertaking. But I also want to tell him that he can count on the government support. I also want to ask him to always respect, as he has done so far, the principles of the Constitution and the current laws. [end recording]

Gen. Sejas also promised to make all possible effort to justify the confidence the government has placed in him. He added that the antidrug fight is a problem that must be shared by all the international community.

[Begin Sejas recording] I am aware of the great responsibility I am assuming. I assume this responsibility because of my desire to serve the nation, and because no one should refuse this responsibility. The antidrug fight is not only a responsibility of the government and of the Bolivian people, but essentially of the international community, because the drug problem constitutes a cancer for mankind. [end recording]

After the installation ceremony, Gen. Sejas promised to keep his office door open to meet the demands of the press. We hope he will fulfill his promise.

Coca Growers Await Economic Changes To Resume Eradication

PY1301175695 La Paz PRESENCIA in Spanish 1 Jan 95 Section 2 p 1

[FBIS Translated Text] Cochabamba—During 1994 it was possible to "witness and feel" the failure of the alternative development plan that was practically buried in the tropical zone of this department, which is awaiting the implementation of the Master Development Plan.

According to David Herrada Delgadillo, conflicts secretary for the National Committee for Alternative Development (Conadal), "until last year (1993) we were conscious of and still believed in alternative development; therefore, we eradicated more than 27,000 hectares of coca."

He asserted that since the coca substitution program started in 1987, "almost no economic changes have been witnessed in the tropical region; what is more, the coca growers and the country have lost more than $260 million," which, according to Herrada, was spent on this type of activity.

The Conadal representative said: "All this time the peasants were hoping economic change would take place some day, but in 1994 they witnessed and personally experienced the government's fatal deceit. Everyone has lost faith in the government; we have said enough, we have stopped eradicating, and will not eradicate until we see an economic change."

He said that the hope now lies in the Master Development Plan for the Tropics for which the coca growers have been striving since 1992 because the government tried to appear as author of this plan and tried to distort its objectives, in addition to trying to discriminate against the coca growers and hand it over to the private sector, guaranteeing its investments with military presence. Herrada said: "The government sought to transfer the coca growers to other regions and militarize the tropical region, but we informed the German Government about this and the problem was overcome during the last seminar held in Cochabamba with the foreign minister and other officials."

In Herrada's opinion, the plan "must be like the Constitution," that is, all those who want to work for the integral development it proposes must abide by the plan and be subject to it. "We cannot continue promoting the corruption of the PDAR [Regional Alternative Development Program] and USAID, which have done whatever they have wanted in Chapare. They have executed projects without consulting the government or the producers. They have spent $21 million of the $48 million financed by the PDAR during the past five years without justifying how they spent the money."

In conclusion, Herrada said that the failure of the alternative development plan forced the peasants to once again sow coca after eradicating these plantations, "not because they wanted to do so, but because they were left on their own, since there was no alternative development. Many have emmigrated to Argentina." As of the present, there are between 35,000 and 38,000 hectares of coca plantations run by some 70,000 families in the tropical region of Cochabamba Department.

Government Implements Master Plan for Developing Chapare

PY1601231595 Cochabamba LOS TIEMPOS in Spanish 8 Jan 95 p A1

[FBIS Translated Text] La Paz, 7 Jan (LOS TIEMPOS)—The government today announced the implementation of the first phase of the "Master Plan for the Development of the Cochabamba Tropical Region" in the Chapare with an initial investment of about $25 million from the National Treasury and the German GTZ [expansion unknown].

Officials of the Social Defense Secretariat said the strategy, which seeks to consolidate an alternative economy to coca growing, was agreed upon last year between the government and the peasants with the objective "of promoting and guaranteeing the full participation of producers in the development process within the context of freedom, democracy, and respect for human rights."

Social Defense Secretary Mario Soliz Valenzuela told LOS TIEMPOS in La Paz that the plan "has been practically guaranteed" and that the project's financing has been insured through economic resources promised by the German Government which "helped in designing the master plan and will now participate in its implementation."

This plan was widely discussed and debated with the grass-roots organizations of the Chapare in order to have the coca growers' desires included in the basis of the document.

'Drastic Measures' Planned To Eradicate Coca in Chapare

PY1701150195 Cochabamba LOS TIEMPOS in Spanish 9 Jan 95 p A6

[FBIS Translated Text] La Paz, 8 Jan (LOS TIEMPOS)—The government announced today that it will take drastic measures to eradicate coca in the Chapare tropical region. It also warned the social sectors involved in growing of coca that it will not tolerate "a single illegal plantation" this year and that it will be strict in enforcing Law 1008 on Coca and Controlled Substances.

Social Defense Secretary Mario Soliz Valenzuela officially told a La Paz radio station that the antidrug police will take "drastic" measures in 1995.

Soliz said: "In 1995, the government really wants to see the possibility of eradicating the surplus coca in the Chapare (...); therefore, the government will be strict in enforcing Law 1008, which prohibits new coca plantations."

He warned that if new coca plantations are detected during 1995 "they will be immediately eradicated" and those responsible for them punished under Law No. 1008.

Soliz disclosed that up to December 1994 the amount of land devoted to coca plantations in Chapare amounted to 44,000 hectares, of which only 12,000 are allowed by law for traditional use and consumption in Bolivia.

The social defense secretary, who yesterday was adamant when referring to coca leaf production in Chapare and Yungas, added that, therefore, there are approximately 35,000 hectares of "illegal coca plantations subject to Law No. 1008."

Union Leader: Zero Option Would Create 'Civil War'

PY1801012895 La Paz PRESENCIA in Spanish 12 Jan 95 Section 2 p 1

[FBIS Translated Text] Cochabamba, 11 Jan—Evo Morales Ayma, leader of the five federations of coca producers, has stated that the imposition of the so-called Zero Option represents a serious risk for the peace of the country, as it will only generate social conflict and confrontation. If the government insists on imposing this option, "Bolivia could become involved in a civil war," he said.

Morales Ayma made this statement during a call to the grassroots to participate in a protest march to be staged on 16 January in this capital, in order to complain about the non-fulfillment of the agreements signed with the executive branch, and to express categorical opposition to the provisions of the Zero Option, which seeks forceful eradication of the surplus coca crops.

Morales Ayma accused the government of implementing genocidal policies against the Quechua, Aymara, and other indigenous people, because it not only seeks to deprive them of their "sacred leaf" but also tries to expropriate their land and destroy the union organizations, especially those installed in the tropical region of the Chapare.

The union leader said that the project is a continuation of the continuous meddling by the international community in the country's fate, and that since 1961, when the United Nations criminalized coca, the objective has been to eradicate an entire cultural tradition.

He added that the protest march has already received the support of various levels of the Bolivian Labor Federation (COB) and the General Trade Union Confederation of Peasant Workers of Bolivia (CSUTCB), and that they will fight together to prevent "the abusive and continuous political meddling in the life of the coca producers."

Morales Ayma also announced that the 12th National Congress of Coca Producers will be held on 16 January, and that this congress will establish the manner in which the problems of the current administration will be faced, and will propose specific guidelines for confronting "the aggressive government policies that are against the people."

At least 600 peasants are expected to participate in this congress, which will last three days.

Morales Ayma recalled that the Andean Congress of Coca Producers, which was to have been held this weekend in the region of Copacabana, La Paz, has been postponed because of a request by representatives of the Colombian coca producers. However, he did not rule out the possibility that it would actually be held, as the call is subject to confirmation, he said.

The controversial union leader bitterly criticized the spirit of betrayal and opportunism characterizing the political parties that "do not fulfill electoral promises," saying that the political alliances respond only to the expediency of the moment, revealing the arbitrary interests of the political class.

He regretted the "political turnover" experienced by the Free Bolivia Movement [MBL], which he accused of being a traitor to the coca producers. "The MBL has deceived the coca producers with its speeches and its various campaign marches and rallies. But now it has become a lackey of the MNR [Nationalist Revolutionary Movement], and therefore of U.S. imperialism," he said.

He added that the generalized repudiation and popular distrust of the political parties have convinced him to "create his own political movement, which will comply with the demands of the people's movement." The creation of this movement will become known within the next few days.

Military 'Fully Capable' of Repelling Peruvian 'Terrorists'

PY1801225895 La Paz PRESENCIA in Spanish 8 Jan 95 p 7

[FBIS Translated Text] Defense Minister Raul Tovar stated yesterday that Bolivians can rest assured that the Armed Forces are fully capable of repelling any possible incursion by Peruvian terrorists into our territory.

Nevertheless, military intelligence services ruled out the possibility that some members of the Peruvian "Shining Path" group had entered Bolivian territory and attacked businessmen in the region of Pelechuco in La Paz Department, as reported a few days ago by townspeople of that region.

Tovar said: "According to the reports we have received, these are just common crimes, and surely this case will be placed at the disposal of the government minister."

He added: "We are certain that there is no foreign incursion. Nevertheless, the Armed Forces are sufficiently trained to repel or to do everything necessary, if that were the case, to guarantee the peace of all Bolivians."

In this context, he said that Bolivian military and police intelligence services maintain continuous contacts with their Peruvian counterparts, which helps guarantee that social peace will not be disrupted by Peruvian terrorists, who are fleeing in disorder since Peruvian President Alberto Fujimori began the head-on war to eliminate them.

The minister said: "There is no reason for concern, but we have sent observers to verify in situ and conduct a dragnet operation to learn the truthfulness of what we have as a preliminary report."

He concluded by saying that "the police are in continuous contact, and so is the Army, but there was no need to refer to them because no armed people have entered our country."

Editorial Promotes Understanding To Solve National Problems

PY1901022495 Santa Cruz EL MUNDO in Spanish 10 Jan 95 p A5

[Editorial: "The Political Moment"]

[FBIS Translated Text] The dissatisfaction growing among Bolivians, clearly reflected in the open confrontation between the government and the various social, civilian, and political organizations, may have unpredictable consequences if a dialogue is not resumed.

Added to the dissatisfaction caused by the tax reform are the cooperatives' opposition to the capitalization process; the teachers' disagreement with the education reform; the civic committees' demand for 25 percent of oil royalties; the list of demands announced by the COB [Bolivian Labor Federation]; the coca producers' demands; and many other sectorial and regional demands.

Opposition political parties have not remained indifferent to these demands, to such a degree that CONDEPA [Conscience of the Fatherland] has announced that this year will be one of opposition.

We believe that there are two main causes for this dissatisfaction. The first cause is the fact that the government is still unable to implement an effective communications policy; the second is that we are far from materializing within a prudent span of time the expectations generated during the electoral campaign.

The fact that some MIR [Movement of the Revolutionary Left] leaders may be involved in drug trafficking, and the delayed and controversial legal process they are undergoing under Law No. 1008, only contribute to disrupting the political atmosphere even more. There are no precedents in Bolivia for a similar process, and therefore the people are watching its development with skepticism. In addition to all this is the stance adopted by the U.S. Embassy, which after all simply responds strictly to State Department policy.

There are far too many contradictions for the administration to be able to resolve them all at once. This is because Congress has done far too little to resolve the political situation. Not only has the great debate not taken place in Congress, but it also shows an alarming lack of intelligence. At times it seems no one wants to achieve solutions, but rather promote conflicts at any cost.

Aside from business groups that have studied the government's tax policy, explaining their position and offering solutions, there is an open opposition to government initiatives, in addition to a political deterioration that curiously enough is seriously affecting the opposition. In view of this, one of the first tasks to be tackled should be the restructuring of party leaderships, with the objective of restoring dialogue and a minimum of coherence to Bolivian politics. The arrogance of the ruling party, and opposition for the sake of opposition, are both absurd. None of them reflect the power of the groups in conflict they represent. National political parties are finding themselves in too bad a situation at the end of the century to assume any intransigent position. To the extent possible, what we need is to achieve a truce that will allow political parties to reorganize themselves in the political scenario.

Moreover, the overall reform needed in Bolivia requires an ample political understanding based on the sensible and realistic behavior of its political leaders. It would be absurd for Bolivian political leaders to continue to block the economic reform despite the support of the international community it enjoys. In view of the current situation, we must stress the inadequacy of implementing changes at a time in which Bolivian society is besieged by diverse problems.

President Receives Year-End Greetings From Diplomats, Military

PY1801192395 La Paz Television Nacional Network in Spanish 1700 GMT 18 Jan 95

[FBIS Translated Excerpt] The diplomatic corps, high-ranking military officers, and ministers of state this morning visited the president to offer year-end greetings. President Sanchez de Lozada this morning received the protocol year-end greetings from the diplomatic corps. In addition to the ambassadors, ministers of state and high-ranking military commanders also greeted the president. [passage omitted]

President Gonzalo Sanchez de Lozada then referred to the achievements attained in 1994, and especially to the efforts of the international community, which has helped Bolivia in its development process.

[Begin Sanchez de Lozada recording] We are aware that we cannot survive without the international community. Other powerful countries that are represented here can perhaps survive with the terrible scourge of drug trafficking. But perhaps they do not want to fight this evil. They can survive this terrible scourge, but Bolivia cannot. For this reason we make our contribution in our budget, which is greater in terms of the Gross Domestic Product than any other country in the world. Our sacrifice and our struggle is resolute.

But we are forced to act in keeping with democracy. I have sworn, and so did [Vice President] Victor Hugo [Cardenas] and all ministers of state, to defend the Constitution and obey the laws. We have sworn before God and the fatherland. The legitimacy of our government stems from the people's will, in the same manner as the great power of the pope stems from the spirit, and not from his army.

In the same manner, the peasants who grow coca seek their well-being and survival, their daily bread. I know and I have said that surplus coca is cocaine. I know that many peasants are victims of the drug trafficking process. They have been attracted to this perhaps willing or unwillingly. I also know that we must keep fighting to find the appropriate measures to defend ourselves from this scourge. [end recording]

Major Political Parties Analyzed

95SM0108B La Paz PRESENCIA in Spanish 11 Dec 94 p 3

[Commentary by Carlos D. Mesa Gisbert in 'Spinal Column': "Parties, Strong Men, and Modernity"]

[FBIS Translated Text] A rapid review of the country's major parties enables us to make several observations about a recurring issue in the analysis of our politics: the evidence that strong men are the rule, not the exception, in running them.

The MNR [Nationalist Revolutionary Movement] was founded in 1941 (or 1942, depending on how one interprets the concept of founding) and from that point on had a chief, Victor Paz Estenssoro, who by and large was its main leader. Paz' leadership was often questioned, but events showed that he was the party's lifeblood. The other principal strong man was Hernan Siles Zuazo, who in the 1970's and early 1980's managed to unite a major wing of the MNR and put together a powerful electoral force, but his administration wound up scuttling his own chances. Most of the members of the MNRI [Nationalist Revolutionary Movement of the Left] returned to the original party. Guevara's and Lechin's efforts never jelled as sound organizations, much less ones with grassroots pull, and today they are merely historical references. Paz made it to his last administration almost unimpaired and after a successful term decided to make way for a new generation (after having suffocated at least one previous one) only because, at the age of 80, remaining in the fray was physically too exhausting, especially if he had to wait through four years of an interregnum. It was biology more than anything else that made possible the MNR's qualitative leap into modernization and internal democratization. Sanchez de Lozada must now demonstrate whether what the bylaws say is true, in other words, that there can be a change in party leadership.

ADN [Nationalist Democratic Action] was born (1979) to defend Hugo Banzer against the charges stemming from the actions of his dictatorial administration and wound up becoming one of the country's major parties. It always operated under Banzer's wing and owed its hopes, successes, and failures to him. Banzer was the architect of the remarkable victory in 1985 and also of several subsequent defeats. Although the party grew strong and disciplined in its actions and played a prominent role in democratization, it has been unable to demonstrate so far that it can be a party without its strong man, and Banzer showed that the role of strong man was a trap for him, as was power itself. Banzer made himself scarce after the 1993 electoral debacle and the foreseeable and confirmed debacles in the municipal balloting that year, but he made it clear that he is ready to return "if the nation asks him to." Absent this failure, the general would not have hesitated to stay on "as long as my body holds up." This is why the succession has been so traumatic; the chief has not yet really departed, and the contenders are not yet sure that they can bring together a party that has been seriously damaged by recent events. As always in such cases, the danger of a split is a threat to the three very visible contenders, MacLean, Kieffer, and Landivar, with two others thinking things over, Quiroga and Fortun. The shadow of the strong man is always a millstone around their necks, however.

The MIR [Movement of the Revolutionary Left] (1971) simply could not bring itself to essay the forms of internal democracy that other parties have practiced, even if they have merely paid lip service to them. Its historic strong men, Paz Zamora, Aranibar, and Eid, left in 1984. Their break-off enabled Jaime Paz, seconded by Oscar Eid, to emerge as the indisputable leader. Neither before nor after 1984 did the MIR bother to open its door to the younger generations. And if there had not been the bombshell of links to drug trafficking, no one should doubt that Paz Zamora would have remained as leader and run again in 1997 (which cannot be ruled out in spite of his irrevocable resignation). Paz Zamora's and Eid's forced move to the sidelines has clearly revealed the tiresome top-down structure of and barrier to the top echelon in the MIR. In the wake of two disasters at the ballot box and the bombshell of the questionable ethics of its old leadership, this party is now facing the possibility of a fresh split amid uncertainty not over its leaders but over its very existence. Once again, though, it was events, not the voluntary departure of the boss, that precipitated this potential shift.

The MBL [Free Bolivia Movement] also has a historic leader whom it inherited from the MIR, Antonio Aranibar, this time alongside Miguel Urioste, with Juan del Granado on a second tier. Even with some internal shakeup his leadership (he is called president in the MBL) is not in question, though his presidential candidacy may be. Inasmuch as it was founded in 1984, by Bolivian standards it is too early to tell whether the spirit of the political strong man has also penetrated the MBL, whose bylaws speak of renewal and changes in officeholders.

Condepa [Conscience of the Fatherland] (1988) is the quintessence of a party run by a strong man. It is also marked, however, by a certain messianic tone and a self-definition (the words of Carlos Palenque himself) that refers to four "legends of the party": Palenque, Monica, Loza, and Paco. Over the past year Monica de Palenque has grown to such an extent as a public figure that we now have the very interesting development of a couple with such magnetism that both alone and together they have power of their own. Without Carlos and Monica Condepa would simply not exist.

UCS [Civic Solidarity Union] (1989) is also a strongman party, though unlike Condepa, Max Fernandez' power stems from his money, which symbolizes the party more than his magnetism does. The idea of a party/company is new to Bolivia. It goes without saying that this party has the weakest structure of all those we have mentioned and that without its paramount figure it would merely be a mirage.

Conclusions are not difficult to draw. Bolivia has a system of political parties with archaic structures and precarious futures, given their addiction to strong men. The leap into the modern age in this field is still far off.

Popular Participation Update; Plans for 1995

95SM0108A La Paz HOY in Spanish 13 Dec 94 p 10

[FBIS Translated Text] The government plans to undertake 3,400 projects next year with an estimated $130 million in funds from Popular Participation, according to the Secretariat of Public Investment and External Financing.

After conducting their first information survey, government officials identified 3,400 projects in various municipalities.

Next year they will transfer to the country's 305 municipalities a total of $130 million that has been appropriated for Popular Participation. They feel, however, that only $100 million will be invested in the various projects, as $30 million must be put aside to establish the municipalities.

Normally, it was reported, each year's investment program has included some 800 projects. "We are making a significant qualitative leap here in the Public Investment Program," said one official who asked to remain anonymous.

The projects for next year range from repairs at schools to the construction of complete drinking water systems.

Twelve Months

Implementation of Popular Participation began in July of this year. A system of 12-month revenue sharing for the municipalities will be in place for 1995, though, the secretary of finance, Gaby Candia, explained.

"This means a major increase in revenue-sharing funds for the municipalities," she emphasized, announcing that the budget appropriations for this item next year are up 29 percent.

Ninety percent of this total must be earmarked for capital expenditures and only 10 percent for current spending.

In many cases, Candia noted, this breakdown will mean that investment projects currently not included in the budget will be undertaken, but only if the municipalities identify their own investment projects.

The projects were previously concentrated in small towns. The aim now, though, is to spread investment out more.

Brazil

Justice Minister Views Constitutional Package

PY1801164795 Rio de Janeiro O GLOBO in Portuguese 16 Jan 95 p 3

[Interview with Justice Minister Nelson Jobim by Cristiane Jungblut and Franklin Martins at Jobim's office in Brasilia; date not given]

[FBIS Translated Text] [O GLOBO] What is the government timetable for implementation of the constitutional reforms?

[Jobim] On 15 February, along with the president's message, we will submit the amendments dealing with the tax reform, the economic order, the financial system, and the social security reform. Also, we will possibly submit an amendment on the state and on public administration, but this has not yet been decided.

[O GLOBO] Will this package include the petroleum monopoly?

[Jobim] It might, but no decision has been made yet. We are now working on the text. We will then discuss it during government meetings.

[O GLOBO] What does the government intend to change in the financial system?

[Jobim] The Central Bank's independence will be discussed. There are several viewpoints on the subject. Some people say that an independent Central Bank should have stable executive board members who can be removed only by a Senate decision. This would involve giving stability to managers. National Bank for Social and Economic Development President Edmar Bacha shares this view. Others disagree with stability. The Central Bank's independence can be considered as a set of mechanisms through which it can guarantee a stable currency value.

[O GLOBO] When will the amendments be voted on?

[Jobim] They should first be voted on in the Chamber of Deputies, where each amendment is submitted to the Constitution and Justice Committee, which gives an opinion on the feasibility of the amendment. A Special Commission is then created, which in its first five sessions considers modifications to the proposed amendment. The Special Commission then gives an opinion that is submitted to the plenary session for a first round of voting. After being approved, the amendment is returned to the Special Commission, which adds restrictive modifications to the proposal; the proposal is then submitted to the plenary session for a second round of voting. Based on the legal criteria, at least three months will be necessary. The Senate will need more or less the same amount of time.

[O GLOBO] At least six months, then, will be needed for approving an amendment, right?

[Jobim] It all depends. Discussing a tax system is different from discussing an amendment on mining or on the concept of Brazilian enterprise. There is just one option for mining: either it remains as it is or the ban on foreign capital is removed. There are no other possible amendments. The voting can go faster than for the tax issue, which involves three conflicts: between taxpayers and the government, between the Union and state and municipal governments, and between regions. I hope the voting on the amendments will begin at the end of April or the beginning of May. I hope some amendments will be already approved by June. The approval of the amendments is essential, but the government will not stop being a government if amendments are not approved in six months.

[O GLOBO] Does your proposal for the concept of Brazilian enterprises simply eliminate the difference between a Brazilian enterprise and a Brazilian enterprise with national capital?

[Jobim] Is there another alternative? A Brazilian enterprise is one whose headquarters and management are in Brazil. Period. Considering another alternative would involve matters having to do with national capital.

[O GLOBO] When the constitutional reform was being analyzed, you blamed parties for the failure of the work. Why do you think we will not have the same problems now?

[Jobim] First, there is no election under way. Yet the essential factor is that inflation is not high. An example is the debate on the social security reform: Those who claimed that figures were right did not take into account the fact that the social security system was being financed by the inflationary tax.

[O GLOBO] Can you explain what the government means by elimination of the constitutional accessory?

[Jobim] For example, in the tax system I can identify two groups of articles: one is the constitutional core, which cannot be excluded from the Constitution, like the rights and guarantees of taxpayers and the principle of yearly payment. The rest is a constitutional accessory. Our model is as follows: The first article will include the modifications that are being sought in the constitutional core and also what will be included in the supplementary law. The second article will eliminate the entire constitutional accessory. And the third article will define the rules that will apply before enforcement of the supplementary law.

[O GLOBO] What is the purpose of the elimination of the constitutional accessory?

[Jobim] The major result of this model is that one can untie the Contitution from economic circumstances and, essentially, from elections. There has been tension—since 1988—between the Constitution and the elections. Elected governments, which had their own specific views, have been restricted by the Constitution. The model we will propose will eliminate this conflict.

[O GLOBO] What will happen with regard to Operation Rio de Janeiro?

[Jobim] The new version of the agreement will last until 30 January. It is a provisional version. Negotiations should resume on 15 or 20 January. Under the terms of the second agreement, however, the Army will be in a more auxiliary position.

[O GLOBO] What is your position on drugs?

[Jobim] Concerning the narcotics issue, there are several groups with different opinions, and there is no dialogue among them, only isolated monologues. I want to focus national attention on the following point: Are drug consumers criminals who must be punished by the state, or are they sick people who should be helped?

Exporters Beginning To Feel Effects of Mexican Crisis

PY1001152195 Rio de Janeiro JORNAL DO BRASIL in Portuguese 6 Jan 95 p 6

[Article by Lucinda Pinto]

[FBIS Translated Text] Sao Paulo—Brazilian companies that export products to Mexico have begun to feel the first effects of the crisis that began in December. Although Mexican importing companies have not canceled any contracts, the general atmosphere is one of caution since it is expected that the volume of business between the two countries—which during the first four months of the year stood at $870 million, with Brazilian exports accounting for $707 million of that figure—will drop in the next few months. "The prices of Brazilian products will become higher as a consequence of the devaluation of the Mexican peso; therefore, orders will drop," says Roberto Gianetti da Fonseca, president of Silex Trading company, the leading Brazilian exporter to Mexico in 1994.

The Brazilian-Mexican Trade Chamber was consulted by some companies that did not know whether to ship products already loaded on board ships that were awaiting orders to sail. Mexico, which is the third most important client for Brazilian exports in the American continent, is a customer of several large Brazilian companies. Some Mexican companies that had ordered Brazilian products asked for a delay of shipments.

According to Fonseca, who exported nearly $120 million worth of buses and automotive spare parts to Mexico in 1994, following the crisis many Mexican importers asked him to delay his shipments. "But no order was canceled," Fonseca guaranteed. Meanwhile, the greatest threat will come in the field of competition. With a devalued peso, Brazilian products have to compete with Mexican [as published] and Canadian products that have lower taxes because of the NAFTA.

At any rate, Fonseca expects the volume of Brazilian exports to drop considerably in the next few months. In the past few days, Silex received orders for approximately $2 million. "It is a small volume for this time of the year," Fonseca said. The situation however, is not worrisome for him, given that trading companies can carry out both export and import operations between Brazil and Mexico. "We will increase imports, which will be more attractive after the devaluation of the peso," he said.

Leading Brazilian Products Exported to Mexico (as of August 1994, according to the Brazil-Mexico Trade Chamber)

Buses:	$97.8 million
Bus cabins and bodywork items:	$18.9 million
Other bus spare parts:	$17.4 million
Paper for use in photography:	$15.9 million
Trucks:	$15.5 million
Car gearboxes:	$15.3 million

Editorial Analyzes Connotations of Mexican Crisis

PY1301201895 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 12 Jan 95 p A3

[Editorial from the "Notes and Information" page: "The Mexican Crisis in Perspective"—passages in italics as published]

[FBIS Translated Text] The crisis affecting Latin American financial markets is not an insignificant event, as some people have maintained, in trying to limit it to Mexico, but neither does it reach the catastrophic proportions that many others have described. The situation, however, does include aspects that might have repercussions on Brazilian foreign policy.

The strong attachment to a conception of what the economic and financial activity in a transforming world *should be* is to a good extent responsible for the crisis affecting Mexico. That, combined with the mistaken conception of the "sovereignty" of emerging markets in an economy that is also becoming increasingly global in the financial-speculative field, explains, to a great extent, the financial crisis affecting us today. People with that attachment and with that conception of "sovereignty" are probably conscious of the fact that Mexico, for all the Latin American countries' good or bad, is today a partner in NAFTA. It is not that the repercussions of the crisis would have been different if NAFTA did not exist, but with NAFTA the possibilities of financial-speculative investments in a market open to the United States and Canada and opening up to the rest of the capitalist world caused a much larger tremor. If NAFTA were not there, the financial earthquake would have registered 2 degrees on the Richter scale. Because NAFTA does exist it registered 7 degrees. Globalization does not exist only for the good. It also affects nations with the bad consequences, particularly when excessive pride over sovereignty and attachment to ideology leads leaders to adopt misleading monetary and foreign exchange policies.

There are other factors that cannot be disassociated from the Mexican crisis. The peso devaluation cannot take all the blame for the earthquake; the slight reemergence of insurgent activities in Chiapas also contributed to the fear that everything being offered on the market as attractive business could be a hoax. Besides, Mexico still lives the deceit of the "revolution" and the reality of its dramatic proximity to the United States. If in the 1970's the kettle was already at a boiling point—the first warning was "the night of Tlatelolco" when dozens of people demonstrating against the government died—the need to adapt social and productive structures to the requirements of an open market showed with great intensity the weak aspects of the Mexican social reality. The Zapatist guerrilla movement is only a symptom of a difficult situation, which is preoccupying because it is an armed movement. The crisis suddenly made the financial market aware that you could make money in countries with unstable social and political situations sometimes, but not all the time. After feeling that it was time to retreat, speculative capital walked out, leaving to Washington and Ottawa the difficult task of backing the currency of a weaker ally. The U.S. Central Bank—the Federal Reserve—did not stop thinking, however, about U.S. domestic problems, hinting at the possibility of increasing domestic interest rates. This move would make much of the capital invested not only in Mexico, but also in all of Latin America and in the emerging Pacific basin markets, return to the United States.

The monotonous repetition by Brazilian authorities—*Brazil is different from Mexico*—has made many people suspect that there is an attempt to conceal a dramatic situation. This supposition has been aggravated by the publication of figures reflecting the withdrawal of capital from Brazil, without giving the same emphasis to the significant inflow of foreign capital (on 10 January, there was an inflow of $464 million and an outflow of $105 million). No one will deny that the Brazilian stock exchanges are declining (profits are being cashed in order to compensate for losses in Mexico) and that foreign debt certificates are also going down (nervousness has made less determined investors prefer to take lower profits now, and not run the risk of winning or losing more tomorrow). The important thing now is that despite all the risk posed by the current exchange rate policy, the alarm has not yet rung.

It may ring, but it will not be in Mexico, and it will not be a consequence of an earthquake of that kind, either. It will come from Argentina, whose exchange rate policy is tied to a legal disposition, and where there are more than obvious signals that economic, financial, intellectual (and—why not?—diplomatic) circles are concerned about making Brazil and Argentina coordinate their macroeconomic and exchange rate policies in order to prevent the worst (which today is probably threatening Buenos Aires). Taking into account that whenever San Martin Palace has exerted pressure with concrete facts, Brasilia has yielded to the alluring arguments of Menem, Itamaraty must analyze the evolution of the Buenos Aires concern. This should be done in order to avoid being caught by surprise, and to prevent Brazil from being forced to adopt policies that are against national interests on behalf of the need to maintain Mercosur's integrity (as in the case of the United States and Canada, which are tied to Mexico through NAFTA).

Article Analyzes Effects of Crisis on Mercosur

PY1301191895 Sao Paulo GAZETA MERCANTIL in Portuguese 11 Jan 95 p 16

[Article by Maria Helena Tachinardi]

[FBIS Translated Text] The Mexican exchange rate crisis and its impact on Latin American business should accelerate Brazilian-Argentine conversations over macroeconomic policies. This matter will appear on the agenda earlier than was expected by Mercosur [Common Market of the South] negotiators.

Luiz Afonso Simoens da Silva, chief of the Department of International Organizations and Agreements (Deori) of the Central Bank and the coordinator of Mercosur working subgroup No. 4, which is charged with designing the fiscal and monetary policies, said that "the Mexican crisis has shown that Brazil and Argentina should certainly have mechanisms for coordination and consultation. At the current phase of the integration process, however, we do not consider it yet time to give up national sovereignty and submit macroeconomic instruments to a multinational forum."

At the seventh meeting of the Mercosur Council held on 16 and 17 December in Ouro Preto, the Argentine Government made a proposal to give institutional status to the frequent meetings of Mercosur economy ministers and central bank presidents, in order to coordinate the macroeconomic policies of the four countries.

Brazil did not oppose this suggestion, but made it clear that it could not agree to the other part of the proposal. According to Alejandro Mayoral, under secretary for economic policy at the Argentine Economy Ministry, if there is no agreement over the coordination work, the matter might be submitted to a mechanism for the settlement of controversies. "That is incompatible with the phases of the stabilization programs of our countries. We cannot subordinate our macroeconomic policy to a multinational forum," Simoens said. Despite the difficulties in harmonizing the Brazilian and Argentine exchange rate policies, discussions on the matter will begin at a meeting between the ministries of the two countries, due to be held in Foz do Iguacu and Puerto Iguazu at the end of February. Simoens believes that a mechanism of bands, which takes into account each country's economic weight and foreign trade, would be more feasible.

While Fernando Henrique Cardoso was finance minister, the then Economic Policy Secretary Winston Fritsch proposed a system of exchange rate bands to prevent competitive devaluation. "They wanted a nominal band, while we proposed a real band because our inflation was enormous. Yet now the inflation rate is low. Argentina has a fixed exchange rate, and this prevents coordination of the exchange rates," a source from the government's economic area said.

Brazilian Ambassador to London Rubens Barbosa said yesterday that despite extended coverage by the British press of the Mexican crisis and its effects on the Argentine stabilization plan, investors are still interested in investing in Brazilian production, especially because of its prospects for stability and economic growth, which range from 5 to 6 percent for 1995.

Barbosa briefed entrepreneurs, explaining to them the differences between the Mexican and Brazilian economic situation. The most tangible evidence that the British continue to have confidence in Brazil is the visit that four ministers—of Commerce, Agriculture, Defense, and Education—will pay to Brazil this year. Seven British cabinet members visited Brazil last year.

Hiring of New Public Employees Suspended for 90 Days

PY1301135895 Sao Paulo AGENCIA ESTADO in Portuguese 2300 GMT 12 Jan 95

[FBIS Translated Text] President Fernando Henrique Cardoso today passed a provision prohibiting the hiring by the federal administration of public employees who passed public contests. This provision is envisaged in a decree signed on 12 January, in the evening, in which Cardoso suspends public contests to hire new employees. This decision has a validity of 90 days. During this period, the rule can be broken only "with the authorization of the president of the Republic."

The prohibition is valid for the whole direct federal administration, autonomous institutions, and federal public foundations. Through this decree Cardoso is preventing new hiring for public service positions. Posts of trust in the ministries, however, are not included in this measure, since dismissals from posts of trust can be determined at any moment. The objective is to temporarily prevent an increase of the federal administration apparatus.

New BC President Blames Sarney for Failure of Cruzado Plan

PY1301154895 Sao Paulo AGENCIA ESTADO in Portuguese 2153 GMT 12 Jan 95

[Report by Soraya de Alencar]

[FBIS Translated Text] Brasilia, 12 Jan (AE)—Upon being installed as president of the Central Bank [BC] on the morning of 12 January, economist Persio Arida opened his speech by harshly criticizing former president [1985-90] and presently senator Jose Sarney (PMDB-AP) [Brazilian Democratic Movement Party-Amapa], whom he blamed for the failure of the Cruzado Plan. "I return to this place eight years after having left it. At that time, I left feeling greatly frustrated—our country had missed a golden opportunity to stabilize its economy. And it had missed it not for lack of support by the people, but rather due to the lack of understanding and coherence evinced by the administration that was at the helm," he stated.

Arida was one of the drafters of the Cruzado Plan together with other economists like [BC debt negotiator] Andre Lara Resende and Edmar Bacha [president of the National Bank for Economic and Social Development]. Still speaking in a harsh tone, Arida made it clear that at that time, economists were unable to convince the then President Sarney and his aides of the need to implement long-term draconian measures to curb inflation, and the need to muster political support. "It was thought that stabilization was an easy task, that it was only a matter of putting an end to the indexation of contracts and that it would not have a major impact on the other government policies," he said.

According to Arida, whenever economists and government experts tried to map out a course—which he now believes would have yielded good results—the Sarney administration continued furthering policies that paid no heed to the attempt to stabilize the economy. "It seemed then that inflation was an unnecessary habit, a tic that could be overcome just overnight without giving due consideration to the spirit or the letter of government actions," he stated.

The new BC president was of the opinion that since then, the country, traumatized by repeated failure, has matured and now wants stabilization. He noted that, with the support of President Fernando Henrique Cardoso, Brazil is currently facing a historic opportunity to achieve stabilization. He nonetheless warned that there is still much to be done. Still speaking in a direct tone, Arida defined the fiscal reform as "a veritable stabilization anchor" and said that Congress in now entrusted with the task of "consolidating the Real from a fiscal standpoint," which will be achieved if the Constitution is amended.

Arida also spoke in favor of making "a resolute advance in the deregulation, privatization, and opening of financial markets in order to eliminate all regulatory barriers and restraints." He pointed out that the objective would be to "foster competition."

The new BC president resumed the forceful tone of his speech when defending, once again, the privatization of state banks. According to Arida, this is a fundamental measure for the control of monetary policy. "No monetary policy can coexist with electoral cycles that cause official financial establishments to empower themselves to print money at the expense of the BC," he underlined.

With regard to changes in the monetary system, Arida indicated that the BC will be harsher in its dealings with the financial system. This means that the policy the BC will pursue will be to put an end to the automatic balancing of banks' daily accounts (system by virtue of which the BC purchases or sells securities at the end of the day so as to enable banks to balance their daily accounts), and use only the discount rate (interest charged on loans granted by the BC to banks).

Under the present system, "the BC operates in an outmoded fashion and the sterilization capacity of the government's monetary policy is extremely limited because it grants automatic liquidity to securities and, therefore, leads financial intermediaries to have total liquidity so as to meet their obligations with their clients."

Air Force Suspends Fighter Plane Activities, New Purchases

PY1001232295 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 9 Jan 95 p B6

[FBIS Translated Text] Because of the shortage of funds, the Aeronautics Ministry has reduced both flights by and maintenance services for its F-5 and Mirage fighter planes. In addition, new research activities at the Aeronautics and Space Institute (IAE) and the purchase of AMX fighter planes—which Brazil is jointly manufacturing with Italy—have been suspended. Of the 1.075 billion reals [R] requested by the Aeronautics Ministry for 1994, it has received only R722.5 million.

Chile

Finance Minister Says Country Fully Ready To Join NAFTA

PY1901002895 Madrid EFE in Spanish 1921 GMT 17 Jan 95

[FBIS Translated Text] Santiago, 17 Jan (EFE)—Finance Minister Eduardo Aninat stated today that there is no risk in Chile joining NAFTA, as its growth and development strategy are guarantees for international investors.

Aninat in this manner rejected criticism from sectors that have stated that Chile is not prepared to join NAFTA, which is made up of the United States, Canada, and Mexico.

These sectors are demanding special measures, such as campaigns to promote Chile's economic situation among international organizations and financial centers, to differentiate the country from other candidates intending to join the commercial agreement and which publicize in an efficient manner their image in those circles.

Chile was formally invited to negotiate its entry into NAFTA during the Summit of the Americas held in Miami in December 1994.

According to Aninat, special actions are not necessary to differentiate Chile from other candidates, because the specialized media within the international financial centers know the Chilean figures and the excellent results of its economy.

In 1994, Chile's Gross Domestic Product (GDP) increased 4.3 percent, despite an adjustment process, with an inflation rate of 8.9 percent and a surplus of $600 million in the trade balance, in addition to a minimum deficit in the current account of its balance of payments.

The finance minister said that in that context the correct thing is to maintain the development strategy that will allow a strong growth in 1995, with an expansion of GDP estimated at 6 percent.

Aninat concluded by saying that "it is not good to go out in the world to give explanations of figures that are already known to the World Bank, the Inter-American Development Bank (IDB), the IMF, and all foreign banks." He added that NAFTA is not a panacea but a means to consolidate the international opening of the Chilean economy.

Finance, Foreign Ministries Clash Over NAFTA Negotiations

PY1801224395 Madrid EFE in Spanish 1953 GMT 18 Jan 95

[FBIS Translated Text] Santiago, 18 Jan (EFE)—Foreign Minister Jose Miguel Insulza reported today that Chilean Finance Minister Eduardo Aninat is responsible for the negotiations for Chile's entry into NAFTA, thus clearing up the conflict between the two ministries.

During the Summit of the Americas in Miami in December 1994, Chile was formally invited to become the fourth partner in NAFTA by the chiefs of state and government of the three founding countries of the treaty, the United States, Mexico, and Canada.

The organization of the negotiating team has had to face several problems which, in addition to the discrepancies between the Foreign and Finance Ministries, includes the need to create the teams to negotiate with the Common Market of the South (Mercosur), with which Chile has proposed a free trade association.

Moreover, negotiations will be held with the European Union (EU) in 1995 with the same objective, and this of course implies a tremendous effort by the experts, as reported by Chilean officials.

The dispute between the two ministries in heading the negotiations gained force a few days ago when the negotiating team from the Foreign Ministry abandoned a meeting with their Finance Ministry counterparts because of some remarks made by Chilean Ambassador to the United States John Biehl, published last Monday.

Biehl told the daily ESTRATEGIA that negotiations with the United States, Mexico, and Canada for Chile's entry into NAFTA should be led by the Foreign Ministry, which unleashed a wave of reactions and growing mistrust between officials of the two ministries.

Ambassador Biehl arrived unexpectedly on 18 January in Santiago, and although he denied having been called to give explanations, his first activity was a meeting behind closed doors with Aninat, after which he said that his remarks have been misinterpreted.

Reaffirming today that Aninat is the main person responsible for the negotiating process, Foreign Minister Insulza admitted the disagreements, and said that measures will be adopted against officials who have promoted these disagreements, over which, as he said, he is fully in agreement with the finance minister.

Insulza said: "It is regrettable that certain incidents or minor disputes are magnified and overshadow an issue that is extremely important for the country." He added that at higher government levels there is no discrepancy over the role of each ministry in the negotiating process.

Foreign Ministry sources have told EFE that Insulza and Aninat met on 17 January with President Eduardo Frei in order to smooth out the rough edges.

According to Insulza, the definite formation of the Chilean negotiating teams continues according to schedule, its members will be taken from various ministries and state organizations, and they will be proposed by Aninat.

He added that according to what was planned and discussed with their counterparts, negotiations at the technical level will begin in March 1995, although he did not rule out a possible delay due to "the problems known by all," referring to the effects of the Mexican crisis.

Court Voids Articles 'Vital' for Fighting Money Laundering

PY1701193795 Madrid EFE in Spanish 2014 GMT 15 Jan 95

[Commentary by Enrique Gutierrez Aicardi]

[FBIS Translated Text] Santiago, 15 Jan (EFE)—The so-called "perpetuation laws" [leyes de amarre], designed to delay as much as possible the reform of the military's authoritarian government system, are preventing President Eduardo Frei from investigating cases of money laundering in Chile.

A law approved last week to fight drug trafficking, a subject of great concern in Chile, will be promulgated without the articles that leftist and rightist legislators deem vital for fighting the cocaine mafias and lifting bank secrecy if there is real suspicion of illegal sources of capital.

The Constitutional Court, an institution created by the Constitution promulgated by General Augusto Pinochet's administration in 1980, has determined that these articles of the new and harsh antinarcotics law "violate public rights and liberties that are assured and guaranteed by the Constitution."

This court, which has the authority to eliminate part of the text of the laws approved by Congress, has been strongly criticized by the government, which believes that its members favor the more conservative viewpoints and those that favor maintaining authoritarian elements during the Chilean transition period.

All efforts to alter the membership of the Constitutional Court have failed, because the rightist sector enjoys a majority in the Senate, obtained through another "continuity law:" the eight legislators appointed by Pinochet in late 1989.

Conservative Deputy Ivan Moreira, who strongly upholds the military regime, said that the Constitutional Court has destroyed the antinarcotics law and has "consecrated a bank secrecy that is currently not even maintained in Switzerland."

Socialist Deputy Jaime Estevez has asserted that the key issue of drug trafficking is money laundering, and that if this crime cannot be investigated, the cocaine problem—currently the main subject of discussion in Chile—cannot be solved.

Senate President Gabriel Valdes said that "the law has been mutilated."

Interior Minister Carlos Figueroa claimed this week this week that there are "armies" of drug peddlers in the public sectors of the main Chilean towns, and that the government will respond with "equal force," but of a civilian nature.

He said that it is not a matter of using military forces, as in Rio de Janeiro, to fight urban drug trafficking, but rather of organizing society to fight drug consumption.

On 13 January President Frei threatened to use "a hard hand" against those who sell cocaine paste (the South American version of U.S. "crack") after the mayor of a district in southern Santiago, Claudio Arriagada, was threatened with death for disclosing that the mafias operate in his district.

It is estimated that 20 percent of Chilean youths consume marijuana or cocaine paste.

A former minister of the military regime, Francisco Javier Cuadra, further stirred up the subject and caused a political storm by charging that Chilean politicians consume cocaine hydrochloride, and that drug traffickers may exert pressure on those legislators who consume drugs.

Cuadra warned that the danger lies not only in the poor sectors, but also in the Chilean leadership, where "the number of drug consumers has grown." He added that among these "there are some legislators and other people who occupy public posts."

Moreover, on 14 January Sofia Prats, the mayor of Huechurabe district, north of Santiago, asked the court to appoint a special judge to investigate the existence of a "death squad" formed by Carabineros and civil police officers.

This squad is charged with torturing at least 20 drug addicts. Eight days ago a clandestine prison set up by the squad was raided. The group allegedly detained cocaine paste traffickers but did not hesitate to sell the seized drugs.

In view of the people's concern, Alex Figueroa, intendant of the Santiago Metropolitan Region, established a special organization to fight drug trafficking that also involves mayors and the police. Figueroa stated that the drug traffickers have become "an efficient enterprise" and must be fought with the same efficiency.

'Rightist' Party Urges Ignoring Laguna del Desierto Ruling

PY1701181595 Madrid EFE in Spanish 2232 GMT 14 Jan 95

[FBIS Translated Text] Santiago, 14 Jan (EFE)—A rightist political party made up of civilians who cooperated with the military regime of General Augusto Pinochet asked today that the arbitration court ruling on Laguna del Desierto be ignored.

According to Jovino Novoa, president of the Independent Democratic Union [UDI], Chile should resort to a new court to establish whether the ruling, which deprived Chile of 530 square km in the southern valley, is legal or not.

Novoa, a former official of the military regime that governed Chile with an iron hand from 1973 to 1990, said the arbitration court that voted against Chile in the Laguna del Desierto case was guilty of engaging in "an excess of power."

He believes this will make it possible to resort to a new court, within the spirit of the bilateral treaty of peace and friendship, to determine if the adverse ruling "is valid or not, and if it has defects of essence and form that can make it possible to annul the ruling."

Novoa added that if Argentina opposes it, a case of "irreconcilable differences" would be created between the two countries. Therefore, in the face of this situation, the 1984 treaties make it possible to resort to the International Court of Justice or to a second arbitration forum to solve the new disagreements.

Colombia

Alleged Guerrillas Kidnap U.S. Engineer in La Guajira

PA1901034395 Madrid EFE in Spanish 2327 GMT 18 Jan 95

[FBIS Translated Text] Barranquilla (Colombia), 18 Jan (EFE)—Military sources have reported a group of alleged guerrillas kidnapped U.S. engineer Edward Joseph Gravowski on a road in La Guajira Department (north) today.

The 2d Colombian Army Brigade, based in the Caribbean city of Barranquilla, stated that Gravowski was captured by about 20 armed men in the rural municipality of Hatonuevo when they intercepted the vehicle Gravowski was driving.

The military sources added that the kidnapping was apparently carried out by a splinter group of the now dissolved Popular Liberation Army (EPL) and that soldiers of the 2d Army Brigade began an operation to try to free the construction engineer.

Gravowski is in Colombia carrying out construction work under contract in the coal mines of El Cerron, more than 1,000 km north of Santa Fe de Bogota.

The EPL was disbanded in March 1991, and its former members were reinserted into society, but a splinter group comprised of about 150 insurgents remains active, particularly along the Caribbean coast in northern Colombia.

Gravowski is the fourth foreigner kidnapped by Colombian guerrillas in the past four months. The Revolutionary Armed Forces of Colombia (FARC) kidnapped U.S. citizen Thomas Hargrove, an official with the International Center for Tropical Agriculture (CIAT), in Valle del Cauca (southeast) in September.

Alleged FARC members kidnapped Swiss topographers Charles Danny Applegate and Tommy Pyrving near a hydroelectric plant under construction in Cordoba (northeast) in December.

Finance Minister Defends Government Economic Policy

PA1801202195 Hamburg DPA in Spanish 1702 GMT 17 Jan 95

[FBIS Translated Text] Santa Fe de Bogota, 17 Jan (DPA)—Colombian Finance Minister Guillermo Perry stated today that the economic crisis affecting Mexico, whose currency suffered a devaluation in relation to the U.S. dollar, justifies the measures the government of Colombian President Ernesto Samper has adopted to limit the import of short-term capital.

According to the official, Mexico's problems began when it decided to fight inflation with a revaluation and opened its doors to short-term foreign capital, and these factors "propelled" the current account deficit to 8 percent of the country's GNP.

After saying that "contrary to what some believe," he is sure the crisis will not negatively affect trade between the two countries. Perry noted: "It is sad but true that Mexico's problems are proving the Samper administration right: Revaluation must be fought and the import of short-term capital must be limited."

Perry added that the problems Mexico has had with inflation and the import of capital serve as lessons for other countries, although he admitted that other events, such as the Indian uprising in Chiapas and the assassination of presidential candidate Luis Donaldo Colosio, aggravated the Mexican crisis.

In the minister's opinion, the measures adopted by the Samper administration and the wise management of the economy in recent years have removed the threat of Colombia suffering a crisis similar to that of Mexico.

He pointed out: "There is no danger of the Colombian economy going the way of Mexico." He recalled that a recent report from the IMF Board of Governors reached the same conclusion.

The finance minister said one of the causes of the Mexican crisis was the current account deficit, something that will not increase in Colombia because of the oil "bonanza" expected within the next few years.

He said: "We cannot ignore the fact that Colombia's current account deficit is high, 4.5 percent of GNP (more than $2.5 billion), but it is half that of Mexico. The Colombian Government must not let it grow, and this is why it is necessary to stop any revaluation."

Perry said the components of the deficits in the two countries are different because in Mexico more than 50 percent of the financing is from short-term capital, while in Colombia most of it is from direct foreign investment and long-term loans.

Perry said that despite the fears of many businessmen, trade between the two countries, which together with Venezuela comprise the Group of Three [G-3], will not be affected because "Colombia's export sector has managed the crisis very well."

According to analysts, Santa Fe de Bogota should call for the implementation of the safeguard clauses in the G-3 treaty to protect domestic industry, because the devaluation of the peso in Mexico makes Colombian and Venezuelan exports more expensive while making those of Mexico less expensive.

Putumayo Coca Growers Agree Cultivations Illegal

PA1401035495 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 0000 GMT 13 Jan 95

[From the "24 Hours Newscast"]

[FBIS Translated Text] The Putumayo coca growers who had staged demonstrations have signed an agreement with the government. According to the negotiating commission, the communities of the area agreed that coca cultivations are illegal and must therefore be sprayed with herbicide and eradicated.

Plight of Putumayo Coca Growers Described

95WD0162Z Santa Fe de Bogota EL ESPECTADOR in Spanish 8 Jan 95 p 5a

[Article by EL ESPECTADOR "special correspondent" Nelson Freddy Padilla C.]

[FBIS Translated Text] La Florida, Putumayo—Everything that happens in this thick southwestern jungle is paradoxical. A massive peasant protest campaign continues against oil (black gold) and in favor of coca, which drug traffickers turn into white gold, at the same time that the Carnival of Blacks and Whites is held, as in the neighboring department of Narino.

The entire problem boils down to the fact that the demonstrators throughout this oil-producing region refuse to give up the illicit growing of coca leaves until black gold brings them socioeconomic well-being and development.

Although they all agree that on balance coca impoverishes them, because the drug traffickers are the ones who make money hand over fist, they feel that working for the drug gangs is their only option in a hostile, forsaken region.

"At the moment we can be described in terms of black and white, just like the government. While they are hurting because of their oil (the black stuff), we are hurting because of coca (the white business), which is making money for us," says a community leader in the El Tigre district in the jurisdiction of La Hormiga.

An Expensive Business

What a visitor to this area sees (if he manages to get there after a tortuous drive from Puerto Asis along a road that no car can survive) is thousands of peasants who because the government fails to meet their needs are enslaved by a business that they themselves agree is illegal.

"Anyone who does not plant his hectare of coca here is in hot water because the cost of living revolves around it. A soft drink costs 8,400 pesos here, a loaf of brown sugar 1,300, a kilo of rice 700, a kilo of butter 1,300, a beer 1,200. A cheap drinking spree will run you 200,000, and the rent for a wooden house 65,000," says one merchant.

This is why the people of southwestern Putumayo are protesting. Even though they walk right next to oil every day (the Ecopetrol pipelines leading to the trans-Andean line cross in front of their homes), they still have to grow coca leaves, which practically carpet the yards and living rooms of local homes.

Dona Belen Arenas, sitting on a bale of coca leaves from one hectare of land, explains that Putumayo peasants have become "drug growers" because it is the only product that does not need a government subsidy.

Maria Robles adds that owing to government neglect peasant farmers all over this area have abandoned their banana, rice, corn, and other crops over the past 10 years because the total absence of communication routes, for example, bankrupted them. "Getting a ton of any crop to Pasto costs us 32,000 and means a 15-hour drive along a road that looks more like a cemetery because of all the crosses in memory of the people who plunged down the cliffs," notes Juan Montenegro.

This is why they are demanding completion of the Orito-Monopamba road, which would save them eight hours, halve transportation costs, and reduce road deaths.

Royalties Fade

The repair and maintenance of roads, the construction of a hydroelectric plant and a hospital, and money for teachers and doctors, which they lack at present, is what the locals are asking for out of the oil royalties that seem to be fading into the jungle.

They say that Ecopetrol owes Valle del Guamuez 1.05 billion in this connection and a much larger sum to Orito. With this money and with government advisory services for crop substitution, the peasant farmers pledge to put their coca growing behind them, to shift from white to black.

"Do you think that if we had electricity all day, there wouldn't be microbusinesses or workshops where people would produce things and stay far away from illicit crops?" a farmer asks the EL ESPECTADOR correspondents.

Claudia Diaz says that the government and international aid have failed owing to a lack of consistency. "The UN was around here with a crop substitution program that they did not let me into because there was no room. They were able to help just 52 villages per municipality, and the aid did no good because the people who they helped plant rubber trees they did not help market the rubber and get it out of this backwater. So, they went back to coca, also because a rubber tree takes six years before it produces, and you have to eat in the meantime."

"The government cannot keep on sitting back in Bogota; it has to come, sit down, and talk with us about how we can solve this. It seems that they are interested in this region only because of its oil, since the land is almost useless for farming," says an Orito community leader.

"We have been abandoned to our fate, and the government shows up only to tell us that they are going to fumigate everything and everyone with glyphosate. First they should ask themselves why we are growing coca and then they should realize that we want to change our lives. We don't want to be illiterate, and if they don't pay attention to us, we will just have to stop being Colombians and become Ecuadorians," Bertulfo Sanchez remarked.

Life in Guaviare Coca-Growing Area Described

95WD0163Z Santa Fe de Bogota EL TIEMPO in Spanish 8 Jan 95 p 15A

[Article by EL TIEMPO "special correspondent" Samuel Salazar Nieto: "Guerrillas, Coca, and Permanent Neglect in Guaviare"]

[FBIS Translated Text] The other Colombia is waiting for the central government to finally help a region in which the country's woes: drug trafficking and the guerrillas, have taken root.

Miraflores, Guaviare—No one in the Guaviare can say why Miraflores is the name of this village, one that for more than 60 years has been nestled in the upper Vaupes in the southeastern corner of the department and has the status of a municipality.

This shows that throughout its history it has merely been a stopover point for fortune-hunters.

It certainly was in the 1940's, when Englishmen, Germans, and settlers from other regions of Colombia mixed with the Indians during the first boom: the rubber boom.

Later came the fur, lumber, and marijuana booms. Today, it is coca's turn.

The exodus from the interior of the country into this area has gradually increased in recent years. Whereas there are said to be 4,500 inhabitants in the urban district and 15,300 in the rural area, the transient population during the production season may reach 70,000.

Overnight, Miraflores has become the haven of cocaine, overflowing with flourishing businesses and a transient population that used to be poverty-stricken and that has found there a way to support families. The village's only assets used to be the landing strip that the British built in 1949 to haul out the rubber and the hospital that Germany donated.

There is enough for everybody in Miraflores. There are no beggars, thieves, or drug addicts, and when someone is caught doing something illegal, the guerrillas enforce the law.

Shops open at eight in the morning when the first DC-3 loaded with foodstuffs, liquor, household appliances, and all sorts of other merchandise arrives.

A siren, which was installed three months ago, signals that a plane is landing or taking off along the 1,400-meter yellow strip in the center of the village.

Use of the landing strip costs 11,000 pesos per aircraft, plus 2,000 pesos airport tax for each embarking passenger. These fees brought in 120 million pesos, 60 percent of the revenues that the municipality collected last year.

Twelve planes a day on the average land here now, and they charge 400 to 500 pesos for each kilo of cargo. On some winter days, as many as 28 planes touch down in Miraflores.

The high freight charges triple the cost of goods.

Air traffic control and law enforcement in the village are handled by the Antinarcotics Police, whose headquarters is located at the right end of the landing stripe, where the mayor's office, the hospital, the day-care center, and the church are located, with the medical center somewhat behind them and, forming a second row, a section of the residential district.

At the other end, to the left, are the shops, the brothels, another residential area, and the port.

The urban area consists of 812 houses and around 500 businesses covering 14 unzoned blocks. Almost all homes and even the hospital have stockades for protection against battles with the insurgents.

Night Life

Miraflores falls silent at one in the morning. The authorities allow businesses to stay open until then.

A bustling night life begins at six in the evening. Bars, saloons, gambling dens, restaurants, pool halls, and street stalls are swamped with customers who have spent several months in the jungle felling trees, growing coca shrubs, or picking the leaves.

Some 600 prostitutes are the main drawing card for the "commission agents" (coca-base buyers), growers, and pickers.

One moment an unsuspecting visitor can be on a dusty or muddy street in the country's most forgotten municipality, and the next he can be walking through a "Sanandresito" or hitting the bars along La Calera.

"Sodoma" will be Miraflores' new discotheque in a few days. But it is not just another club. Its owners spent more than 35 million pesos on the sound system alone. The interior is the equal of any such night spot in a capital like Bogota, Cali, or Medellin.

No one can estimate the amount of money circulating in the town, since there is no workable monitoring system.

The municipality has been unable to establish suitable arrangements for collecting taxes from business and industry, and evasion is widespread. The new administration plans to collect 400 million in taxes this year.

Problems

Besides the law and order problems caused by the noticeable presence and influence of the guerrillas, there are also health-care problems that are no less serious.

Many people have malaria. The poor quality of the water (Miraflores does not have a supply system) also causes gastrointestinal ailments.

Venereal disease is rampant. The prostitutes are checked only in the urban district, and they have moved to other outlying brothels. AIDS is another threat. A sample of 100 persons showed that four had the deadly disease.

This is Miraflores. To some it is the world's coca haven. To others it is simply a reflection of Colombia today: a "little Macondo" [a reference to Garcia Marquez' "One Hundred Years of Solitude"] in the heart of the jungle.

Ecuador

President Announces Plebiscite; Spokesman Comments

PA1801010895 Quito Voz de los Andes in Spanish 1200 GMT 17 Jan 95

[From "The Voz Andes Newscast"]

[FBIS Translated Text] The president of the Republic has officially announced a plebiscite for sometime around May. The president has said the plebiscite will enable the country to settle issues that are still pending and that Congress has been unable to confront. Key issues include decentralization, syndication, social security, and strategic areas.

The government is studying the alternatives of the new plebiscite, which the president has officially announced. Topics to be included, how they will be presented, and the date of the plebiscite will be defined within 15 days. The president will meet with Supreme Electoral Tribunal leaders to supervise the plebiscite and to sponsor the organization of the event.

Official spokesman Carlos Larreategui has confirmed the plebiscite will serve to definitely approve the constitutional reforms:

[Begin Larreategui recording] Consequently, it will be a plebiscite based on questions about institutions, constitutional chapters, or it will directly deal with articles. In this way, a given article or a group of articles will become effective when the country, meaning the voter, approves a reform; therefore, Congress does not have to previously discuss the issue on this occasion, at least with regard to constitutional issues. What is approved by the people, by the voters, automatically becomes effective, a point which I want to be perfectly clear. [end recording]

Country To Remain Outside EU Banana Agreement

PA1401042395 Mexico City NOTIMEX in Spanish 2250 GMT 10 Jan 95

[FBIS Translated Text] Quito, 10 Jan (NOTIMEX)—Official sources today reported that Ecuador is planning to remain outside the so-called banana trade framework agreement, which four Latin American countries signed with the European Union (EU) in March 1994.

This statement was made by Ecuadoran Industry Minister Jose Vicente Maldonado, who talked about the prospects his country, the world's largest banana exporter, has with respect to the EU restrictions on the Latin American banana trade.

He explained that Ecuador will supply 43.6 percent of the quota not established by the framework agreement to trade bananas in the European Community markets.

Minister Maldonado said, however, that the Ecuadoran Government is open to holding talks to solve the discrepancies with the EU regarding the banana trade policies this economic bloc has in effect.

Ecuador, Mexico, Panama, Guatemala, and Honduras object to the system established by the EU, which imposed an annual quota of 2.1 million tons of bananas on the Latin American countries, as well as high customs duties and import and export licenses.

These five countries oppose the framework agreement, according to which the banana import quotas set by the EU will be shared among the countries.

This situation notwithstanding, Ecuador has exported a record-breaking amount of bananas to this market, which experts considered was the result of low Ecuadoran banana prices.

Paraguay

Brazilian Foreign Minister Visits, Holds Talks

PY1801174995 Asuncion ABC COLOR in Spanish 18 Jan 95 p 2

[FBIS Translated Text] In a news conference, Brazilian Foreign Minister Luiz Felipe Lampreia stressed that Brazil acknowledges Paraguay's right to full legal equality in the Itaipu Binational Hydroelectric Plant, and it is fully disposed to negotiate a new statute (Annex A) with these overall guidelines. Lampreia began a tour of the Mercosur [Common Market of the South] countries with his stop in our capital on 17 January. In Asuncion, he met with President Juan Carlos Wasmosy, Foreign Minister Luis Maria Ramirez Boettner, and other ministers and businessmen. Today he will travel to Montevideo, Uruguay.

The visit by the new leader of Itamaraty Palace (the Brazilian Foreign Ministry) was not carried out only within the framework of the usual protocol guidelines, although they did exist, because the foreign minister's activities on 17 January in our city bore more resemblance to a rapid handling of the bilateral agenda that is of interest to Paraguay and Brazil. Within this framework, the imminent beginning of the negotiations for the drafting of a new statute for Itaipu was the central topic, even more so considering the fact that Paraguay wants to obtain, through these negotiations, equal co-management in the administration of the hydroelectric plant in order to end the long period of hegemony that Brazil has exercised in the posts that are considered to be key jobs.

"The fundamental orientation that we have arrived at with my colleague, Foreign Minister Ramirez Boettner, is the principle of full legal equality between the parties regarding Itaipu. We recognize full equality for Paraguay and Brazil, and that is the fundamental principle on which we are going to base the negotiations for a new Annex A," Lampreia said during a news conference that he gave on 17 January in the Cultural Sector of the Central Bank.

Moreover, in response to a concrete question by the media, the Brazilian foreign minister abstained from committing himself on the issue of whether equality at Itaipu will be implemented through full co-management in the administration of the enterprise or, instead, whether the system of rotating occupants of the most important posts will be adopted. "We (the foreign ministers) can only formulate overall ideas, and now that equality is going to become a fact, in practice, that will be decided and negotiated by the experts. I cannot be more precise at this time," Lampreia said.

Efficient and correct management and administrative productivity are other aspects that will also be taken into account, because it has been observed that in the management of the binational enterprise, there has been good capability in the joint administration.

Lampreia stated that he did not know exactly when the Annex A negotiations would begin, but he did know that the statute must be concluded by the end of this year. He also indicated that within the next few days the Paraguayan and Brazilian foreign ministries will simultaneously release the names of the members of the respective negotiating commissions.

In this regard, it must be recalled that the Paraguayan foreign minister has already indicated that Paraguay will create two commissions: An advisory commission that will include the political sector, and a negotiating commission that will include government technicians and experts.

Peru

Susana Higuchi on Hunger Strike To Protest JNE Decision

PY1801182895 Madrid EFE in Spanish 1609 GMT 18 Jan 95

[FBIS Translated Excerpt] Lima, 18 Jan (EFE)—Susana Higuchi, wife of Peruvian President Alberto Fujimori, today began her second day of a hunger strike on the street to protest the National Election Board [JNE] decision to reject the list of candidates to congress she is heading.

Higuchi, wearing a poncho and black slacks, dressed and groomed herself inside an automobile.

Fujimori's wife is seated in a chair at the JNE door, and she has stated that she will continue her hunger strike "sincerely and to the ultimate consequences." [passage omitted]

More Military, Police Removed From Electoral List

PY1901160295 Madrid EFE in Spanish 0200 GMT 18 Jan 95

[FBIS Translated Excerpt] Lima, 17 Jan (EFE)—The National Election Board (JNE) reported today that it eliminated 51.508 members of the Peruvian Armed Forces and the National Police from the electoral registry because they are prohibited from voting in the elections.

The members of the Armed Forces and the National Police were issued electoral registration cards for security reasons and were registered in the JNE despite the prohibition.

The members of the security forces were issued the electoral document to identify them as civilians when operating in the zones declared in a state of emergency due to terrorist activities. [passage omitted]

The report adds that the process of eliminating the names from the registry carried out in coordination with the military representatives is over.

Uruguay

BVM President Discusses Operations, Mexican Situation

PY1801170695 Montevideo EL OBSERVADOR ECONOMICO in Spanish 12 Jan 95 Markets and Enterprises Section p 5

[FBIS Translated Text] A total of $4.85 million withdrawn from Argentine bank deposits has been, up to now, the only consequence that the Montevideo Stock Exchange (BVM) suffered due to the crisis in the main Latin American markets.

Investment in deposit certificates of several Argentine banks, which last year amounted to 30 percent of the total volume of operations, was affected by the uncertainty of the Argentine market. Only 61 percent of the investment placed in Argentina, which had some $12.4 million about to expire, was renewed during the past three weeks.

And a part of the investment withdrawn turned up as investment in Uruguay. This week the market invested, through that type of operation, $1.27 million, more than double what was invested three weeks ago. This type of investment, which had never surpassed 15 percent per week, this week represented more than half of the total figure. Several operators indicated that this money is being invested in the bond market, thus strengthening prices. Due to this crisis, investment has accelerated the reduction of expiration dates, which were already being reduced in view of the expectation created by the upcoming elections in Argentina.

BVM President Ignacio Rospide stated last night, in remarks to Television Channel 10, that the Uruguayan market is totally different from the Argentine, Brazilian, or Mexican markets.

"Here we do not have foreigners who invest in shares," Rospide explained. "Therefore, there are no runs such as those that occurred in those countries due to the Mexican crisis."

He also highlighted the difference in the volumes of the Buenos Aires and Montevideo stock exchanges. "The Buenos Aires market has operations amounting to $61 million when it is at its highest, and now, with the fall, it operates with between $20 and $30 million. If we achieved or realized market operations in shares amounting to $100,000, it would be a major success," he said.

Editorial Examines Mexican Peso Crisis

PY1801212095 Montevideo EL OBSERVADOR ECONOMICO in Spanish 12 Jan 95 p 2

[Unattributed editorial: "The Lessons of the Crisis"]

[FBIS Translated Text] The very questionable management of macroeconomic variables by the new Mexican Government headed by Ernesto Zedillo has been crowned, as is well known, with a dramatic devaluation of the Mexican peso and, as an unwanted consequence, a widespread collapse of the Latin American stock markets.

The reasons for the lack of success are easy to determine. As Mexico had been described by institutional investors from outside our region as a leading country in structural reforms to allow our continent to join the international economy, its dereliction of the cause of economic orthodoxy has cast doubt on the entire hemisphere, which now is being described as a risk area.

Under these circumstances, Brazil's recently implemented Real Plan, as well as Argentina's more seasoned Convertibility Plan, have been besieged by a massive flight of capital, distrustful of the economic management of these countries.

Amid the ensuing economic suffering, the existence of angry opinions against the Zedillo administration and against his inefficient foreign exchange policy may be explainable. Using a peasant rebellion in southern Mexico as a clumsy excuse, the Mexican authorities demonstrated that they lacked clear goals and strategies, thus causing a financial explosion throughout our continent.

The only lesson possible amid all this disaster is that Latin American trustworthiness, an asset that was taken for granted by so many people after a long decade of efforts prompted by the 1982 Mexican fiasco, is still an elusive and erratic asset that is easier to lose than to save amid the periodic international financial jolts.

Of course, downplaying the importance of this crisis, it is possible to argue: Didn't the European foreign exchange systems collapse barely a few months ago, also following clumsy management by some European monetary authorities? Aren't we experiencing, at this moment, a widespread disappointment with the so-called "Asian tigers," which turned from sparkling stars in the financial skies in 1993 into disappointing markets by late 1994? Isn't the U.S. Federal Reserve's interest rate policy partially responsible for our current suffering?

Of course, these reasons and reasonings contribute to a better understanding of the storms currently lashing Latin America. Nevertheless, this understanding does not lessen a bit the obvious truth that, if the rest of the world must prove its stability and consistency to investors, our continent will always have to make a double effort to achieve the same outcome.

The reasons for making this double effort are also clear. Decades of easy populism, marked by waste and a poorly concealed recourse to the most crude mercantilism, have turned Latin America into a risky area for investments. In addition we have political instability, periodically marked by a voluntary discouragement of investments that have sometimes been described as "imperialist" and sometimes have been held captive by vested interests, with the result of nullifying our region's obvious efforts to escape economic stagnation.

Amid all these setbacks, this entire legacy is behind us now, and we would be blind if we tried to minimize the efforts made from the Rio Grande to Tierra del Fuego to integrate Latin America into world trade.

The Mexican crisis and its "tequila" effect indicate, however, that these efforts are not sufficient by themselves, and that Latin American trustworthiness is a course that remains to be passed, especially as long-term disturbances are experienced by flunking it.

The Argentine reaction to the besieged markets clearly indicates the existence of the required awareness to overcome these circumstances. It is not by yielding to a devaluation panic that this adverse circumstance will be overcome, but by tackling the problem at its roots: the fiscal deficit, the size of the state, and, in brief, the strengthening of economic stability, without which any well-being becomes an illusion.

Undoubtedly this is the most significant lesson of this crisis; by ignoring it, Mexico is now gliding into a freefall that may only be stopped by another devaluation and some kind of convertibility like that tested in Argentina. More important yet, it is a lesson that greatly contributes to the legacy of countries that, as ours, might have considered staying out of the financial ebbs that are shaking our region, despite the fact that they are the countries most interested in updating themselves by developing a stabilizing effort that has been frequently postponed, but is increasingly unavoidable.

Venezuela

Progreso Banker's Assets Ordered Seized

PA1601231395 Caracas Venezolana de Television Network in Spanish 0200 GMT 14 Jan 95

[From the "The News" newscast]

[FBIS Translated Text] In the midst of the crisis caused by the government's intervention in Banco Progreso, the Attorney General's Office has taken several specific actions ahead of actions by the Bank Superintendent's Office and Fogade [Deposit Guarantee and Banking Protection Fund].

Attorney General Jesus Petit Da Costa has ordered banker Orlando Castro Yanes' assets seized to keep Castro from selling or transferring them to other people. Pettit D'Acosta also said that he is sure Cuban-born banker Castro was unable to deceive anyone, let alone those who preceded him and who are running from authorities. The attorney general believes that it is also necessary to seek out the accomplices in the public administration.

[Begin Petit Da Costa recording] I do not know who they are. Otherwise, I would give you their names, because I have nothing to conceal. I just know that they exist and that, because Castro and his accomplices are birds of a feather, they guard each other's backs. [end recording]

In addition, Judge Clotilde Condado of the 48th Preliminary Criminal Court, which started the investigations of Banco Progreso, has issued a warrant against Castro Yanes, his son Orlando Castro Castro, and 17 other officials of the intervened bank, including Alejandro Leon Palacios, Jose Inzua Fernandez, Juan Vicente Acosta, Francisco Alvarez Peraza, Efio Leon Rodriguez, Ana Maria Morreo de Sapeme, and Virginia Sanchez, to keep them from leaving the country. The judge sent an official note to the attorney general saying that the Latinoamericana Progreso group's assets must be seized immediately. [Begin Condado recording] An official note has been sent to the attorney general reporting this decision and urging him to take any measure he deems appropriate, according to the decree, in relation to the Latinoamericana Progreso group's assets. [end recording]

Judge Condado is scheduled to receive statements from all public officials who could have detected or prevented the illegal actions at Progreso Bank. The first of these officials are Fogade president Noris Aguirre and Bank Superintendent Tesalio Cadenas. Finally, Judge Condado has reported that her court will also request the assistance of financial experts whose task will be to look deep into Banco Progreso's accounts to confirm or deny the reported bank fraud.

President Caldera Vows To Guarantee Strong Navy

PA1601232195 Caracas EL NACIONAL in Spanish 14 Jan 95 p D-4

[FBIS Translated Text] A ceremony to hand over replicas of the liberator's sword was held aboard the Simon Bolivar training ship and was attended by the defense minister, High Command members, and rear admirals and vice admirals of the Venezuelan Navy, among others. During the ceremony, President Rafael Caldera said that, although the difficulties the country is experiencing as the result of the bolivar's collapse, which makes it harder for the Venezuelan Armed Forces to buy equipment, the government will make every necessary effort to guarantee a sound and strong Navy, a Navy prepared to defend and maintain Venezuela's presence in the sea.

"We are going through a transition while we adjust to the new economic circumstances. Nevertheless, we would be making a gross mistake if we overlook the fact that this commitment is basically to the country and that, in addition to daily emergencies, there are duties that, now and in the near future, compel us to make every sacrifice within the limitations that reality imposes on us," he said.

He pointed out that the Venezuelans of the present century have to some extent neglected control of the sea, islands, and rivers. When Venezuela defended its sovereignty over the Monjes Archipelago, apparently it was fighting over some worthless crags. But time has proven the importance of those islets in guaranteeing our sovereignty. In those islets we have put all the homeland's heart because they stand like permanent sentinels over the national sovereignty, he said.

Guyana

President Addresses Army on Economic, Security Concerns

FL1501204895 Bridgetown CANA in English 2218 GMT 14 Jan 95

[FBIS Transcribed Text] Georgetown, Guyana, Jan. 14, CANA—Guyana's President, Dr. Cheddi Jagan, has identified the fragility of the economy as the major security concern facing the country.

"The economy dictates the degree to which we can satisfy the long-denied needs of our people. Many external factors constrain our command of the economy. Even internal factors often conspire to constrain our best efforts," Jagan said as he addressed the annual conference of the Guyana Defence Force (GDF).

He said in addition to inadequate human resources, "avid consumerism, low labour productivity, and corruption", as well as crime were major concerns. "We recognise today that crime contributes considerably to both the cause and consequence of the fragility of our economy, which is a dominant security concern. For us, it all starts and ends with the economy," the 76-year-old Guyanese leader said.

Jagan commended the army for "making sterling contributions in support of government's initiatives" to correct problems of national security. He said that despite some public criticism, the Guyana army will continue to work with police in crime-busting operations as well as prepare for the territory's defence.

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